

Company Registration No. 08765738 (England and Wales)

**THE NEWARK TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# THE NEWARK TRUST

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# THE NEWARK TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

A Tear - The Guildford Diocesan Board of Finance  
M Elson - The Guildford Diocese Education Trust  
Canon N Aiken - Parish of Wisley with Pyrford in the Diocese of Guildford and the County of Surrey  
J Lamaison  
R Cartledge

### Trustees

R Cartledge (Vice Chairman)  
K Krynicki (Accounting officer)  
J Lamaison (Chairman)  
C Newell  
D Reynell  
R Tipping

### Senior management team

Mrs K L Krynicki	- Headteacher
S Little	- Deputy Headteacher
R Pollard	- Inclusion Manager
S McAllister	- Chief Financial Officer

### Company registration number

08765738 (England and Wales)

### Principal and registered office

Pyrford Church of England Primary School  
Coldharbour Road  
Pyrford  
Woking  
Surrey  
GU22 8SP

### Independent auditor

Wilkins Kennedy Audit Services  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

### Bankers

Lloyds Bank Plc  
25 Gresham Street  
London  
EC2N 7HN

### Solicitors

Veale Wasbrough Vizard  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

# THE NEWARK TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Trustees present their annual report together with the consolidated financial statements and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Trustees' report under company law.

The Trust operates an academy for pupils aged 4 to 11 servicing a catchment area of the ecclesiastical parish of Wisley with Pyrford. It has a pupil capacity of 480 and had a roll of 478 in the school census on 1 October 2018.

#### **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 The Newark Trust are also the Trustees of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

The Newark Trust was incorporated on 7 November 2013 and obtained Academy status from 1 June 2014. The Trust currently has one school, Pyrford Church of England Primary School.

Included within the consolidated financial statements is Pyrford and Byfleet Children's Centre, a 100% owned subsidiary of The Newark Trust.

##### 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.

##### Principal activities

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a School offering a broad and balanced curriculum.

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

The number of Trustees shall be not less than five but (unless otherwise determined by ordinary resolution) shall not be more than 11. Subject to Articles 48 and 49, the Academy Trust shall have the following Trustees - no fewer than 5 Trustees, appointed under Article 50; 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under article 101A or if no provision is made for at least 2 parent local Trustees on each established local governing body pursuant to Article 101.

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

The Academy Trust may also have any Co-opted Trustee appointed under Article 58. The first Trustees shall be those person named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Trustee to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

During the period under review the Trustees held 5 meetings. The training and induction provided for new Trustees will depend on their existing experience. Each new Trustee receives induction training through the agreed Trustee training package using a variety of providers. All relevant Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a period, induction tends to be done informally and is tailored specifically to the individual.

### Organisational structure

The structure consists of three levels: the Trustees, Senior Leadership Team and Phase Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trustees are responsible for setting general policy, adopting an annual School Development Plan and budget, monitoring the Academy by the use of key objective budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Head Teacher, Inclusion Manager, Deputy Head Teachers and School Business Manager. These leaders control the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts contain at least one Trustee.

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

The Pay Committee will determine the pay scales of all staff, including the Senior Leadership Team, in line with the Academy Trust's Pay Policy as agreed and adopted by the Trustees. All decisions will be objectively justified and minutes of decisions and reason for them will be kept. Trustees will use a performance related judgement when setting pay and remuneration. Trustees will comply with The Teachers Pay and Conditions and salaries will be set accordingly. The Headteacher's Performance Management committee will be responsible for recommending the Headteacher's pay award through performance to the Pay Committee. The Headteacher will be responsible for recommending the SLT pay through the performance management cycle.

### Related parties and other connected charities and organisations

The Academy Trust works in partnership with the SHINE group of schools. This is not a formal partnership but is a group of local cross phase schools who collaborate together to share professional development, policy initiatives and moderation of work. The school also works alongside the Friends of Pyrford Primary School (PTA) also a registered charity. It helps raise funds for the benefit of the pupils in the school. The Headteacher acts as Executive Head for Christ Church School in Virginia Water.

As of the 1 November 2019 The Pyrford & Byfleet Children's Centre will transfer to Woking Borough Council. The Children's Centre has been part of the school community for 11 years and will be greatly missed.

# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Objectives and activities**

#### Objects and aims

##### Vision

Pyrford Church of England Primary School is a caring community with learning at its heart. The Academy Trust is a primary school for pupils aged 4 to 11 with a Nursery for children aged 2 to 4 years. School staff encourage children to aim high, be honest and work together. Senior leaders and Trustees work with colleagues and other partners to promote high standards and teamwork. There is a sense of purpose, fun and enjoyment in the School which is nurtured and sustained. The School has a long record of success and leaders work to ensure that we keep the best of what we have while continually striving to improve and build on strong foundations.

This can be summarised as:

- To be an outstanding school that meets the needs of all learners within the community it serves;
- To provide our children with a stable, secure and disciplined environment, where academic, personal and social potential will be achieved, in preparation for the next stage of their lives;
- To offer a broad and balanced curriculum with a range of activities which stretch beyond the length of the school day, allowing all children the opportunity to excel not just academically but within the wide context of life including; sports, music and creative arts.

As a Church of England School, to have a distinctly Christian ethos but be fully inclusive of those of others faiths and those of no faith.

Learning is at the heart of what we do at Pyrford Church of England Primary School.

Our core business is - to ensure that children learn as effectively as possible.

We are opening doors for each child, allowing them to practise important skills for life such as being responsible, learning to read, write, spell, be numerate, make informed choices and to love learning across a wide curriculum that includes science, art, music, sport, languages and humanities.

Pyrford Church of England Primary School is proud to provide enhanced facilities, buildings and generous outdoor green space to deliver today's modern, demanding and creative curriculum.

Pyrford Church of England Primary School is a School where everyone works hard to ensure that the children are safe, secure, and part of a friendly caring community. We want children to be happy and excited about coming to School. We encourage them to learn, achieve and make progress and to develop knowledge, skills and understanding across a wide curriculum. We aim for pupils to thrive and develop the skills they need for life-long learning.

The School has received a number of awards which reflect the high quality of our work. These include: Basic Skills Quality Mark, Healthy School Award, Travel Plan, Artsmark Gold. The School was graded 'Outstanding' by Ofsted in its most recent full inspection and designated a National Support School in 2014.

# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2019 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with our community
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Pyrford Church of England Primary School community values diversity and seeks to give everyone in the School an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Pyrford Church of England Primary School.

Pupils will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at School. They will be developing as independent learners in an age appropriate way, developing how to learn and the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers and support staff will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognising their role in the pupil - School - parent partnership to ensure that their child realises his/her potential.

Trustees will contribute to the life of the School on a wider scale, acting as critical friends to support the School in maintaining its status as a centre of excellence.

#### Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The criteria used to admit pupils to Pyrford Church of England Primary School:

- Looked after children/SEN;
- Medical or social needs;
- Children of Staff;
- Siblings living within the ecclesiastical parish of Wisley with Pyrford;
- Children living within the ecclesiastical parish of Wisley with Pyrford;
- Siblings living outside the ecclesiastical parish of Wisley with Pyrford who attend church in the parish
- Siblings living outside the ecclesiastical parish of Wisley with Pyrford who attend church outside the parish and for whom the school is their nearest age appropriate Church of England school;
- Siblings living outside the ecclesiastical parish of Wisley with Pyrford;
- Children living outside the ecclesiastical parish of Wisley with Pyrford who attend church in the parish
- Children living outside the ecclesiastical parish of Wisley with Pyrford who attend church outside the parish and for whom the school is their nearest age appropriate Church of England school;
- Children who wish to attend this school.

In September 2019 the furthest offer made was 4.7km from the School. The School follows the statutory Admission Procedures.

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# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Strategic report

#### Achievements and performance

The Academy Trust continues to achieve the forecast numbers of pupils. Total pupils in the period ended 31 August 2019 numbered 474 and the Academy published pupil admission number for 19/20 was 480.

The Academy Trust is a two form entry primary School with two additional bulge years and a nursery. The School is successful, popular and oversubscribed.

Pupils enter the School from a very wide range of social, cultural and economic backgrounds. The Academy prides itself on being an inclusive School.

Our data shows that since our last inspection in January 2013 Pyrford Church of England Primary School has continued to be an outstanding school. A review carried out by the DfE in June 2019 of Pyrford Primary School's NSS designation confirms that the school should retain its NSS status.

The percentage of pupils eligible for free school meals is 2.5% which is below the national average for primary schools of 13.7%. The percentage of pupils from ethnic minority backgrounds is above average at 23.8%. There were 16.5% of pupils on the Special Educational Needs register.

To ensure that standards are continually raised, the Academy Trust operates a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its Leadership Partners programme with the LA and external partners.

Pyrford and Byfleet Children's Centre is a 100% owned subsidiary of The Newark Trust. Its aim is to welcome everyone into the centre, to treat them as an individual, to learn and work together, share knowledge and experiences and to support each other to improve family life in the early years.

The trading activity has been consolidated into these accounts and details are included in note 12.

### Provisional KS2 SATs Results 2019

	Expected standard					Greater depth					APS	
	School				National	School			National		School (National)	
	2016	2017	2018	2019	2019	2017	2018	2019	2017	2018	2018	2019
<b>Writing</b>	68%	86%	81%	77%	78%	14%	20%	15%	17%			
<b>Reading</b>	73%	81%	90%	79%	73%	38%	39%	38%	25.5%	28%	108 (105)	106 (104)
<b>GAPS</b>	80%	86%	95%	86%	78%	28%	47%	44%	31%	34%	110 (106)	108 (106)
<b>Maths</b>	87%	90%	95%	93%	79%	28%	44%	39%	22%	24%	108 (104)	108 (105)



# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Key performance indicators

The main KPI is the Ofsted Framework for Inspection.

Inspectors must judge the quality of education provided in the School. This is the overarching judgement. In order to make a judgement about the quality of education provided in the School, inspectors must first make four key judgements. These are:

- The quality and standards of education;
- The quality of teaching, learning and assessment in the School including outcomes for pupils;
- The personal development, behaviour and welfare of pupils at the School;
- The quality of leadership in and managements of the School;
- The effectiveness of provision in the early years.

In addition, inspectors must also consider:

- The spiritual, moral, social and cultural development of pupils at the School;
- The extent to which the education provided by the School meets the needs of the range of pupils at the School;
- And in particular the needs of:
  - pupils who have a disability for the purposes of the Equality Act 2010;
  - pupils who have special education needs.

Pupil absence 2.8%

England-national School (primary state-funded) 4.0%

#### Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the governing body continues to adopt the going concern basis in preparing the consolidated financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Financial Report for the Period

Most of the Academy's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2019, total expenditure of £2,849k (2018: £2,807k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £125k (2018: £251k).

At 31 August 2019 the net book value of fixed assets was £8,739k (2018: £8,840k). Movements in tangible fixed assets are shown in note 13 to the consolidated financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Surrey Pension Fund, in which the Academy participates, showed a deficit of £1,227k (2018: £741k) at 31 August 2019.

# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Reserves policy

The Trustees review the reserve levels of the Academy 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 Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £165k (2018: £160k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy Trust's current level of free reserves of £211k (2018: £135k) (total funds less the amount held in fixed assets and restricted funds). The Trustees expect to increase the level of general unrestricted funds in the coming years.

The Trustees also require an appropriate level of reserves over and above four weeks expenditure to cover future financial risks facing the Academy Trust. These include reductions in grant funding and increased costs, to include both increased employer contributions to Teacher and Local Government pensions.

The Academy Trust held fund balances at 31 August 2019 of £7,727k (2018: £8,241k) comprising £7,516k (2018: £8,106k) of restricted funds and £211k (2018: £135k) of unrestricted general funds. Of the restricted funds, £8,741k (2018: £8,840k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,227k (2018: £741k) in deficit.

#### Investment policy

Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

The Academy considers the following to be in the main risks:

- Failure of the school to recruit sufficient learners to make it viable. To mitigate the risk the Governors are reviewing the admissions policy, the parent and carer communication policy, the marketing strategy and ensuring effective networking;
- Failure to ensure that restricted income due to the school is collected in a timely manner and recorded accurately. To mitigate the risk the Governors ensure they receive monthly management accounts, performance monitoring reports and review the budget monitoring reports on a regular basis;
- Failure of the school to monitor the performance of the employee pension scheme. The Governors mitigate this risk by obtaining advice from a school pension consultant and review with the auditors on an annual basis.

The principal risks and uncertainties that The Newark Trust faces are mitigated by the risk management process that the Academy Trust has in place.

# THE NEWARK TRUST

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2019*

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#### Financial and risk management objectives and policies

The main financial risks to which The Newark Trust is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,227k (2018: £741k).

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

The Academy Trust will continue striving to improve the levels of performance of its pupils.

The School has a very good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The School also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Development Plan (SDP) has key areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the Senior Leadership Team (SLT). The SDP is regularly monitored and amended annually by the SLT and Trustees. It is underpinned by appropriate budget links.

School improvement strategies are constantly under review and effectively identify underperforming areas and addresses them through a combination of rigorous monitoring, good continuing staff development, including coaching and thorough analysis of pupil performance data. The School makes good provision for personalised learning, support and intervention programmes for individual pupils and the quality of provision for inclusion is very good due to bespoke programmes aimed at raising achievement.

The strive for excellence is evident in many aspects of School life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff continuing professional development is good as is the way that all staff work relentlessly at sharing best practice to fulfil the School's moral imperative at improving the quality of learning for our pupils. Our fundamental approach is improving on our previous best. The School now plans to build on its new status as a Multi Academy Trust.

#### **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 governing body, as the company Trustees, on 20 November 2019 and signed on its behalf by:

J Lamaison  
**Chairman**

# THE NEWARK TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Newark 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 Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 Newark Trust and the Secretary of State for Education. The Head Teacher is also responsible for reporting to the Governing Body 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 governing body has formally met five times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
R Cartledge (Vice Chairman)	5	5
K Krynicki (Accounting officer)	5	5
J Lamaison (Chairman)	4	5
C Newell	3	5
D Reynell	5	5
R Tipping	5	5

The Trustees also met on 5 further occasions where they reviewed the oversight of funds and the expansion of The Newark Trust.

The Trustees undertook a Skills Audit in October 2017. The audit showed a favourable mix of skills and competencies. It was felt new Trustees already had the skills and attributes needed to support the School and together with the Trustees induction pack and training opportunities these Trustees would very quickly be able to make a valuable contribution in their role. However Trustees still felt there was work to be done and a schedule of training would be prepared.

The Finance & Resources Committee is responsible for the Financial, Personnel, Premises and Health and Safety aspects of the academy's strategic and operational work. The Finance & Resources Committee is a committee of the main Board of Trustees and Local Governors. Its purpose is to approve the annual budget, review expenditure and forecast against the budget and propose larger items of expenditure. The committee is satisfied with the arrangement for reviewing data and the process that produces the information. Nominated Trustees of this committee will liaise with the external auditors to inform the committee of their findings.

# THE NEWARK TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Adams (Resigned 1 September & reappointed 18 October 2018)	4*	4
R Cartledge (Chairman)	4	4
K Krynicki (Accounting Officer)	4	4
J Lamaison	3	4
A Reekie (Appointed 18 October 2018)	1	4
R Tipping	4	4
J Walker	4	4

\*Emma Lines as staff governor deputises for Sarah Adams

#### Review of value for money

As accounting officer the Headteacher 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the governing body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:-

#### Value for money statement

Year End 31 August 2019

I accept that as accounting officer of The Newark Trust, I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the ESFA and understand that value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.

The Trustees and school managers applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school;
- The targeting of resources to best improve standards and the quality of provision;
- The use of resources to best support the various educational needs of all pupils.
- 

To ensure that standards are continually raised the Academy Trust operates a programme of internal reviews of the curriculum. The Academy Trust is a National Support School and gained 'outstanding' in all inspection areas in January 2013.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

#### Improving Educational Results

- Our diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment;
- We regularly review the staffing structure;
- We focus on the needs of every individual pupil, both in relation to their educational and personal development;
- We have produced excellent outcomes for our pupils, significantly exceeding national results.
- We collaborate with other local schools and professionals.

# THE NEWARK TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Financial governance and oversight

The Academy Trust's system of financial governance includes strong oversight by the trustees and accounting officer. As accounting officer I have responsibility for reviewing the effectiveness of the system of internal control. This year my review has been informed by:

- The work of Wilkins Kennedy internal audit who reviewed key financial policies, systems and procedures.

I have been advised of the results of their review of the system on internal control and plan to maintain this regular system of monitoring to ensure continuous improvement systems are in place.

#### Purchasing, the efficient and effective use of resources

The Trustees and school managers deployed equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Purchasing: The Trustees have developed procedures for assessing need, obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost. These measures are detailed in the Academy's Finance Policy.

#### Maximising income generation

The Academy explored available opportunities to generate income through letting of facilities, provision of additional services such as training courses, school to school support, extended school day and a Nursery.

#### Reviewing controls and managing risks

A formal review of the Academy's risk management process is undertaken on an annual basis.

Insurance levels are reviewed annually and used cost-effectively to manage risk.

The Trustees review the reserve levels of the Academy annually.

#### Maximising use of resources

Expenditure within each budget heading is reviewed on a regular basis and adjustments are made based on the strategies identified in the School Development Plan.

#### Pupils Welfare

The quality of the school environment and the school ethos has been reviewed in order to continue to provide a supportive environment conducive to learning and recreation. The Academy Trust tracked attendance for all pupils and attendance was well above the national average.

#### Health and Safety

The Trustees and school managers have reviewed the quality of the school environment and equipment carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

#### **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 Newark Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and consolidated financial statements.

# THE NEWARK TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and consolidated financial statements. This process is regularly reviewed by the board of Trustees.

### **The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the Finance and Resources 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 governing body has considered the need for a specific internal audit function and has decided to appoint Wilkins Kennedy as internal auditor.

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

Website review, Payroll, GAG Income, Financial Procedures, Purchasing, Non GAG Grant Income, Register of Pecuniary Interests, Gifts and Hospitality, VAT and Other Taxation, Whistle Blowing Policy, Data Security, Budgeting and Cash-flow Process, New Trustee Induction Pack, Monthly Management Reporting, Other Income, Data Protection, Compliance, School Development Plan, Assets, Self-Evaluation of Financial Competencies, Related Party Transactions, Year-end Procedures, Bank Procedures, Financial Accounting Records and Systems and Risk Register.

On a termly basis, Wilkins Kennedy reports to the Trustees on the operation of the systems of control and on the discharge of their financial responsibilities. The role is carried out by a separate team at Wilkins Kennedy with no connection to the audit team to ensure the reviews are carried out independently.

The Trustees confirm the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

### **Review of effectiveness**

As Accounting Officer, (the Headteacher) 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 Internal Audit Review;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

# THE NEWARK TRUST

## GOVERNANCE STATEMENT (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2019***

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

Approved by order of the governing body on 20 November 2019. and signed on its behalf by:

K Krynicki  
**Accounting officer**

J Lamaison  
**Chairman**



# THE NEWARK TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2019***

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As accounting officer of The Newark Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 Academies Financial Handbook 2018.

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.

K Krynicki  
**Accounting Officer**

Date 20 November 2019

# THE NEWARK TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who act as trustees for The Newark Trust and are also the Trustees of The Newark Trust for the purposes of company law) are responsible for preparing the Trustees' report and the consolidated consolidated financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 consolidated financial statements for each financial year. Under company law, the Trustees must not approve the consolidated 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 consolidated financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 consolidated financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 20 November 2019 and signed on its behalf by:

J Lamaison  
**Chairman**

# THE NEWARK TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEWARK TRUST

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Opinion

We have audited the consolidated financial statements of The Newark Trust for the year ended 31 August 2019 which comprise the consolidated Statement of Financial Activities, the consolidated balance sheet, the consolidated statement of cash flows and the notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

### 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 consolidated financial statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# THE NEWARK TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 consolidated financial statements are prepared is consistent with the consolidated financial
- the Trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of 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 consolidated financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

In preparing the consolidated financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

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

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

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

# THE NEWARK TRUST

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

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **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.

**Catherine Cooper (Senior Statutory Auditor)**  
**for and on behalf of Wilkins Kennedy Audit Services**  
**Statutory Auditor**

7 December 2019  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

# THE NEWARK TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NEWARK TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 2 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Newark Trust during the period 1 September 2018 to 31 August 2019 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 The Newark Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Newark 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 The Newark Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Newark Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Newark Trust's funding agreement with the Secretary of State for Education dated 1 June 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# THE NEWARK TRUST

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

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

Wilkins Kennedy Audit Services  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: 7 December 2019

# THE NEWARK TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	126	46	66	238	156
Charitable activities:						
- Funding for educational operations	4	-	2,142	-	2,142	1,987
Other trading activities	5	273	-	-	273	288
<b>Total</b>		<u>399</u>	<u>2,188</u>	<u>66</u>	<u>2,653</u>	<u>2,431</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	155	2,557	137	2,849	2,807
<b>Total</b>	6	<u>155</u>	<u>2,557</u>	<u>137</u>	<u>2,849</u>	<u>2,807</u>
<b>Net income/(expenditure)</b>		244	(369)	(71)	(196)	(376)
Transfers between funds	16	(168)	196	(28)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(318)	-	(318)	159
<b>Net movement in funds</b>		76	(491)	(99)	(514)	(217)
<b>Reconciliation of funds</b>						
Total funds brought forward		135	(734)	8,840	8,241	8,458
Total funds carried forward		<u>211</u>	<u>(1,225)</u>	<u>8,741</u>	<u>7,727</u>	<u>8,241</u>



# THE NEWARK TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total 2018 £'000
		Funds £'000	General £'000	Fixed asset £'000	
<b>Income and endowments from:</b>					
Donations and capital grants	3	93	54	9	156
Charitable activities:					
- Funding for educational operations	4	-	1,987	-	1,987
Other trading activities	5	288	-	-	288
<b>Total</b>		<u>381</u>	<u>2,041</u>	<u>9</u>	<u>2,431</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	119	2,554	134	2,807
<b>Total</b>	6	<u>119</u>	<u>2,554</u>	<u>134</u>	<u>2,807</u>
<b>Net income/(expenditure)</b>		262	(513)	(125)	(376)
Transfers between funds	17	(322)	331	(9)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	159	-	159
<b>Net movement in funds</b>		(60)	(23)	(134)	(217)
<b>Reconciliation of funds</b>					
Total funds brought forward		195	(711)	8,974	8,458
Total funds carried forward		<u>135</u>	<u>(734)</u>	<u>8,840</u>	<u>8,241</u>

**THE NEWARK TRUST**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Notes	2019 £'000	2018 £'000	2018 £'000
<b>Fixed assets</b>				
Tangible assets	13		8,739	8,840
<b>Current assets</b>				
Debtors	14	37		49
Cash at bank and in hand		310		242
		<u>347</u>		<u>291</u>
<b>Current liabilities</b>				
Creditors: amounts falling due within one year	15	(132)		(149)
<b>Net current assets</b>			215	142
<b>Net assets excluding pension liability</b>			8,954	8,982
Defined benefit pension scheme liability	19		(1,227)	(741)
<b>Total net assets</b>			<u>7,727</u>	<u>8,241</u>
<b>Funds of the Academy Trust:</b>				
<b>Restricted funds</b>	17			
- Children's' Centre			2	7
- Fixed asset funds			8,741	8,840
- Pension reserve			(1,227)	(741)
<b>Total restricted funds</b>			<u>7,516</u>	<u>8,106</u>
<b>Unrestricted income funds</b>	17		211	135
<b>Total funds</b>			<u>7,727</u>	<u>8,241</u>

The consolidated financial statements on pages 23 to 45 were approved by the Trustees and authorised for issue on 20 November 2019 and are signed on their behalf by:

J Lamaison  
**Chairman**

Company Number 08765738

**THE NEWARK TRUST**  
**ACADEMY BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Tangible assets	13	8,739	8,840
<b>Current assets</b>			
Debtors	14	37	49
Cash at bank and in hand		299	226
		<u>336</u>	<u>275</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(123)	(140)
<b>Net current assets</b>			<u>135</u>
<b>Net assets excluding pension liability</b>			<u>8,975</u>
Defined benefit pension scheme liability	19	(1,227)	(741)
<b>Total net assets</b>		<u>7,725</u>	<u>8,234</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		8,741	8,840
- Pension reserve		(1,227)	(741)
<b>Total restricted funds</b>		<u>7,514</u>	<u>8,099</u>
<b>Unrestricted income funds</b>	17	211	135
<b>Total funds</b>		<u>7,725</u>	<u>8,234</u>

The consolidated financial statements on pages 23 to 45 were approved by the Trustees and authorised for issue on 20 November 2019 and are signed on their behalf by:

J Lamaison  
**Chairman**

Company Number 08765738

# THE NEWARK TRUST

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

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	Notes	2019 £'000	£'000	2018 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	20		38		(136)
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		28		9	
Capital funding received from sponsors and others		38		-	
Purchase of tangible fixed assets		(36)		-	
		<u>        </u>		<u>        </u>	
<b>Net cash provided by investing activities</b>			<u>30</u>		<u>9</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			68		(127)
Cash and cash equivalents at beginning of the year			<u>242</u>		<u>369</u>
<b>Cash and cash equivalents at end of the year</b>			<u>310</u>		<u>242</u>

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

The Newark Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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 consolidated financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their consolidated financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Newark Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 consolidated financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

##### 1.3 Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the academy trust and Pyrford and Byfleet Children's Centre. A separate Statement of Financial Activities and income and expenditure account is not presented for the academy trust because of the exemptions available from Companies Act 2006 and paragraph 397 of the SORP.

##### 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.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

##### Donations

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

##### 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 consolidated financial statements 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.

##### Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

#### 1.5 Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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.

##### Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

##### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the academy trust was established are included in the accounts at cost. Assets, or a group of similar items costing £3,000 are written off in the year of acquisition. Such costs include both direct and allocated support costs.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

The property has been included at the valuation provided by the ESFA when completing their desktop valuation. The academy trust has a 125 year lease from conversion on its land and buildings with the diocese.

##### Depreciation

Depreciation is provided on a straight-line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Leasehold land and buildings	Buildings 2%
Fixtures, fittings and equipment	10% and 20%

A review for impairment of a fixed asset is carried out if events or changed 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. Depreciation is not charged in the year of acquisition.

##### 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 payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 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:

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.10 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 so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 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.



# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and the Department for Education.

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

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

#### Critical accounting estimates and assumptions

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

#### Critical areas of judgement

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

##### Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants Group

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	28	28	9
Other donations	126	84	210	147
	<u>126</u>	<u>112</u>	<u>238</u>	<u>156</u>

### Academy

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	28	28	9
Other donations	125	84	209	144
	<u>125</u>	<u>112</u>	<u>237</u>	<u>153</u>

### 4 Funding for the Academy Trust's educational operations Group

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,618	1,618	1,568
Other DfE group grants	-	161	161	135
NLE grants	-	8	8	6
	<u>-</u>	<u>1,787</u>	<u>1,787</u>	<u>1,709</u>
<b>Other government grants</b>				
Local authority grants	-	355	355	278
	<u>-</u>	<u>355</u>	<u>355</u>	<u>278</u>
<b>Total funding</b>	<u>-</u>	<u>2,142</u>	<u>2,142</u>	<u>1,987</u>

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,618	1,618	1,568
Other DfE group grants	-	161	161	135
NLE grants	-	8	8	6
	-	1,787	1,787	1,709
<b>Other government grants</b>				
Local authority grants	-	252	252	174
<b>Total funding</b>	-	2,039	2,039	1,883

### 5 Other trading activities Group

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	15	-	15	17
School to School support	11	-	11	4
Extended Schools	181	-	181	188
Other income	66	-	66	79
	273	-	273	288

### 5 Other trading activities Academy

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	28	-	28	32
School to School support	11	-	11	4
Extended Schools	181	-	181	188
Other income	147	-	147	153
	367	-	367	377

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure Group	Staff costs	Non Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2019 £'000	2018 £'000
Academy's educational operations					
- Direct costs	1,464	104	228	1,796	1,808
- Allocated support costs	595	210	248	1,053	999
	<u>2,059</u>	<u>314</u>	<u>476</u>	<u>2,849</u>	<u>2,807</u>

6 Expenditure Academy	Staff costs	Non Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2019 £'000	2018 £'000
Academy's educational operations					
- Direct costs	1,464	104	228	1,796	1,807
- Allocated support costs	591	210	237	1,038	988
	<u>2,055</u>	<u>314</u>	<u>465</u>	<u>2,834</u>	<u>2,795</u>

Net income/(expenditure) for the year includes:	2019	2018
Group and academy	£'000	£'000
Fees payable to auditor for:		
- Audit	7	7
- Other services	6	7
Depreciation of tangible fixed assets	137	134
Net interest on defined benefit pension liability	22	20
	<u>172</u>	<u>168</u>

7 Charitable activities Group	Unrestricted funds	Restricted funds	Total	Total
	£'000	£'000	2019 £'000	2018 £'000
<b>Direct costs</b>				
Educational operations	132	1,664	1,796	1,808
<b>Support costs</b>				
Educational operations	23	1,030	1,053	999
	<u>155</u>	<u>2,694</u>	<u>2,849</u>	<u>2,807</u>

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Charitable activities (continued)

#### Analysis of costs

##### Support costs

	2019 £'000	2018 £'000
Support staff costs	595	620
Depreciation	33	30
Technology costs	18	11
Premises costs	188	64
Other support costs	204	254
Governance costs	<u>15</u>	<u>20</u>
	1,053	999
	<u>          </u>	<u>          </u>

#### Academy

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Direct costs</b>				
Educational operations	132	1,664	1,796	1,807
<b>Support costs</b>				
Educational operations	<u>23</u>	<u>1,015</u>	<u>1,038</u>	<u>988</u>
	<u>155</u>	<u>2,679</u>	<u>2,834</u>	<u>2,795</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The Academy Trust's costs are as above less the Children's Centre costs as analysed in note 12.

### 8 Governance costs

#### Group and Academy

##### All from restricted funds:

##### Amounts included in support costs

	Total 2019 £'000	Total 2018 £'000
Legal and professional fees	2	6
Auditor's remuneration		
- Audit of financial statements	7	7
- Other audit costs	<u>6</u>	<u>7</u>
	15	20
	<u>          </u>	<u>          </u>

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 9 Staff Group

#### Staff costs

Staff costs during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	1,523	1,513
Social security costs	129	128
Pension costs	407	433
	<u>          </u>	<u>          </u>
Staff costs	2,059	2,074
Staff restructuring costs	-	6
Staff development and other staff costs	10	11
	<u>          </u>	<u>          </u>
Total staff expenditure	<u>2,069</u>	<u>2,091</u>

Staff restructuring costs comprise:

Severance payments	<u>          </u>	<u>          6</u>
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### 9 Staff Academy

#### Staff costs

Staff costs during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	1,519	1,520
Social security costs	129	128
Pension costs	407	433
	<u>          </u>	<u>          </u>
Staff costs	2,055	2,081
Staff restructuring costs	-	6
Staff development and other staff costs	10	11
	<u>          </u>	<u>          </u>
Total staff expenditure	<u>2,065</u>	<u>2,098</u>

Staff restructuring costs comprise:

Severance payments	<u>          </u>	<u>          6</u>
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# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 9 Staff

#### Staff numbers

The average number of persons, by headcount, employed by the Academy Trust during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Teachers	21	26
Administration and support	54	53
Management	3	3
	<u>78</u>	<u>82</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Teachers	21	21
Administration and support	29	31
Management	3	3
	<u>53</u>	<u>55</u>

#### Higher paid staff

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
£80,001 - £90,000	<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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £238k (2018: £244k)

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **10 Trustees' remuneration and expenses**

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

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

K Krynicki (Headteacher):

- Remuneration £85,000 - £90,000 (2018: £80,000 - £85,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

During the year, no expenses were reimbursed to Trustees (2018: £nil).

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

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



# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 12 Pyrford and Byfleet Children's Centre

Included within the consolidated financial statements is the Pyrford and Byfleet Children's Centre, Company number 8781852. The company is limited by guarantee, of which The Newark Trust is the sole member. The children's centre provides physical, intellectual and social development of primarily, but not exclusively, children under five.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Grants received – Local Authority	103	103
Other unrestricted donations	2	4
Wages	(86)	(82)
Resources for primary purposes	(1)	(5)
Premises expenditure including rent	(11)	(14)
	<u>7</u>	<u>6</u>

The assets and liabilities of Pyrford & Byfleet Children's Centre at 31 August 2019:

	<b>2018</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Cash	11	16
Deferred income	(9)	(9)
	<u>2</u>	<u>7</u>

#### 13 Tangible fixed assets Group and academy

	<b>Leasehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 September 2018	8,928	201	9,129
Additions	-	36	36
	<u>8,928</u>	<u>237</u>	<u>9,165</u>
At 31 August 2019	8,928	237	9,165
<b>Depreciation</b>			
At 1 September 2018	208	81	289
Charge for the year	104	33	137
	<u>312</u>	<u>114</u>	<u>426</u>
At 31 August 2019	312	114	426
<b>Net book value</b>			
At 31 August 2019	<u>8,616</u>	<u>123</u>	<u>8,739</u>
At 31 August 2018	<u>8,720</u>	<u>120</u>	<u>8,840</u>

Included in the cost of land and buildings is land of £3,728k (2018: £3,728k) which is not depreciated.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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<b>14 Debtors</b>	<b>2019</b>	<b>2018</b>
<b>Group and academy</b>	<b>£'000</b>	<b>£'000</b>
VAT recoverable	6	22
Prepayments and accrued income	31	27
	<u>37</u>	<u>49</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
<b>Group</b>	<b>£'000</b>	<b>£'000</b>
Other taxation and social security	30	38
Other creditors	31	35
Accruals and deferred income	71	76
	<u>132</u>	<u>149</u>
<b>Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
<b>Academy</b>	<b>£'000</b>	<b>£'000</b>
Other taxation and social security	30	38
Other creditors	31	35
Accruals and deferred income	62	67
	<u>123</u>	<u>140</u>
<b>16 Deferred income</b>	<b>2019</b>	<b>2018</b>
<b>Group</b>	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	<u>55</u>	<u>59</u>
Deferred income at 1 September 2018	59	70
Released from previous years	(59)	(70)
Resources deferred in the year	<u>55</u>	<u>59</u>
<b>Deferred income at 31 August 2019</b>	<b><u>55</u></b>	<b><u>59</u></b>

At the balance sheet date the academy trust was holding funds relating to rates grant, UIFSM and Local Authority Early Years grants received in advance.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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16	Deferred income Academy	2019 £'000	2018 £'000
	Deferred income is included within:		
	Creditors due within one year	46	50
		<u>46</u>	<u>50</u>
	Deferred income at 1 September 2018	50	75
	Released from previous years	(50)	(75)
	Resources deferred in the year	46	50
		<u>46</u>	<u>50</u>
	<b>Deferred income at 31 August 2019</b>	<b>46</b>	<b>50</b>

At the balance sheet date the academy trust was holding funds relating to rates grant and UIFSM grants received in advance.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,618	(1,814)	196	-
Other DfE / ESFA grants	-	169	(169)	-	-
Other government grants	-	252	(252)	-	-
Other restricted funds	-	44	(44)	-	-
Children's Centre	7	105	(110)	-	2
Pension reserve	(741)	-	(168)	(318)	(1,227)
	<u>(734)</u>	<u>2,188</u>	<u>(2,557)</u>	<u>(122)</u>	<u>(1,225)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	28	-	(28)	-
Private sector capital sponsorship	8,840	38	(137)	-	8,741
	<u>8,840</u>	<u>66</u>	<u>(137)</u>	<u>(28)</u>	<u>8,741</u>
<b>Total restricted funds</b>	<u>8,106</u>	<u>2,254</u>	<u>(2,694)</u>	<u>(150)</u>	<u>7,516</u>
<b>Unrestricted funds</b>					
General funds	135	399	(155)	(168)	211
	<u>135</u>	<u>399</u>	<u>(155)</u>	<u>(168)</u>	<u>211</u>
<b>Total funds</b>	<u>8,241</u>	<u>2,653</u>	<u>(2,849)</u>	<u>(318)</u>	<u>7,727</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants: This includes the pupil premium, teachers' pay grant, universal infant free school meals, the NSS grant and the PE grant.

Other government grants: This includes SEN funding and nursery funding received from the Local Authority.

Other restricted funds : This includes amounts provided by the PTA (FPPS) for school equipment.

The transfer of funds is to cover the excess of expenditure over income on GAG.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 17 Funds

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,568	(1,988)	420	-
Other DfE / ESFA grants	-	141	(141)	-	-
Other government grants	-	174	(174)	-	-
Other restricted funds	-	51	(51)	-	-
Children's Centre	1	107	(101)	-	7
Pension reserve	(712)	-	(188)	159	(741)
	<u>(711)</u>	<u>2,041</u>	<u>(2,554)</u>	<u>579</u>	<u>(734)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	9	-	(9)	-
Private sector capital sponsorship	8,974	-	(134)	-	8,840
	<u>8,974</u>	<u>9</u>	<u>(134)</u>	<u>(9)</u>	<u>8,840</u>
<b>Total restricted funds</b>	<u>8,263</u>	<u>2,050</u>	<u>(2,688)</u>	<u>570</u>	<u>8,106</u>
<b>Unrestricted funds</b>					
General funds	195	470	(119)	(411)	135
	<u>195</u>	<u>470</u>	<u>(119)</u>	<u>(411)</u>	<u>135</u>
<b>Total funds</b>	<u>8,458</u>	<u>2,431</u>	<u>(2,807)</u>	<u>159</u>	<u>8,241</u>

#### 18 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 2019 are represented by:</b>				
Tangible fixed assets	-	-	8,739	8,739
Current assets	334	2	2	338
Creditors falling due within one year	(123)	-	-	(123)
Defined benefit pension liability	-	(1,227)	-	(1,227)
	<u>211</u>	<u>(1,225)</u>	<u>8,741</u>	<u>7,727</u>
<b>Total net assets</b>	<u>211</u>	<u>(1,225)</u>	<u>8,741</u>	<u>7,727</u>

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 18 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 2018 are represented by:</b>				
Tangible fixed assets	-	-	8,840	8,840
Current assets	135	156	-	291
Creditors falling due within one year	-	(149)	-	(149)
Defined benefit pension liability	-	(741)	-	(741)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total net assets</b>	<b>135</b>	<b>(734)</b>	<b>8,840</b>	<b>8,241</b>

### 19 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 Surrey County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £31k (2018: £35k) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 19 Pension and similar obligations

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

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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.

The employer's pension costs paid to the TPS in the period amounted to £135k (2018: £137k).

##### Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

##### 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 26.4% for employers and 5.5% to 12.8% for employees. The estimated value of employer's contributions for the forthcoming year is £126,000.

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.

<b>Total contributions made</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	126	129
Employees' contributions	36	37
Total contributions	<u>162</u>	<u>166</u>

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# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Pension and similar obligations

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.6	22.5
- Females	23.6	24.6
Retiring in 20 years		
- Males	22.5	24.1
- Females	25	26.4

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

	2019 £'000	2018 £'000
Discount rate - 0.5%	316	223
Salary increase rate + 0.5%	34	30
Pension increase rate + 0.5%	276	191

#### Defined benefit pension scheme net liability

Scheme assets	1,351	1,125
Scheme obligations	(2,578)	(1,866)
Net liability	(1,227)	(741)

#### The Academy Trust's share of the assets in the scheme

	2019 Fair value £'000	2018 Fair value £'000
Equities	959	810
Bonds	243	191
Cash	41	45
Property	108	79
Total market value of assets	1,351	1,125

The actual return on scheme assets was £77,000 (2018: £53,000).



# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 19 Pension and similar obligations

<b>Amount recognised in the Statement of Financial Activities</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	262	297
Past service cost	10	-
Interest income	(34)	(25)
Interest cost	56	45
	<hr/>	<hr/>
Total operating charge	294	317
	<hr/>	<hr/>

<b>Changes in the present value of defined benefit obligations</b>	<b>2019</b>
	<b>£'000</b>
At 1 September 2018	1,866
Current service cost	262
Interest cost	56
Employee contributions	36
Actuarial loss/(gain)	361
Benefits paid	(13)
Past service cost	10
	<hr/>
At 31 August 2019	2,578
	<hr/>

<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2019</b>
	<b>£'000</b>
At 1 September 2018	1,125
Interest income	34
Actuarial gain	43
Employer contributions	126
Employee contributions	36
Benefits paid	(13)
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At 31 August 2019	1,351
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# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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<b>20 Reconciliation of net expenditure to net cash flow from operating activities</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure for the reporting period (as per the statement of financial activities)	(196)	(376)
Adjusted for:		
Capital grants from DfE and other capital income	(66)	(9)
Defined benefit pension costs less contributions payable	146	168
Defined benefit pension scheme finance cost	22	20
Depreciation of tangible fixed assets	137	134
Decrease in debtors	12	29
(Decrease) in creditors	(17)	(102)
<b>Net cash provided by/(used in) operating activities</b>	<b>38</b>	<b>(136)</b>

### 21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education and Skills Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 22 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year	6	8
Amounts due in two and five years	25	-
	<u>31</u>	<u>8</u>

### 23 Related party transactions

No related party transactions took place in the period of account.

# THE NEWARK TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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