

Company Registration No. 08765738 (England and Wales)

THE NEWARK TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE NEWARK TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 46

THE NEWARK TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 S 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

Azets 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 2020

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 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 2020.

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.

Members' liability

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

Method of recruitment and appointment or election of 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.

Policies and procedures adopted for the induction and training of Trustees

During the period under review the Trustees held 6 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.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Teacher 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 was transferred to Woking Borough Council. The Children's Centre had been part of the school community for 11 years and is greatly missed.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2020 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
- To maintain the schools Christian distinctiveness working closely with the Guildford Diocese Education Trust
- To acknowledge the effect of Covid 19 (see Covid section)

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.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The Academy Trust continues to achieve the forecast numbers of pupils. Total pupils in the period ended 31 August 2020 numbered 478 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 FSM is 6.5% which is below the national average for primary schools of 15.8%. The percentage of pupils from ethnic minority backgrounds is above average at 29.1%. There are 15.2% of pupils on the SEN 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.

Covid 19

In March 2020 the school, along with the rest of the country, found itself operating in unprecedented times. With very little notice the school had to switch from face to face conventional learning to a very different process of educating children. For some this proved to be a safe and enjoyable time whilst for others it was challenging and traumatic. For senior leaders it was the balance of children's learning and staff well-being.

In the initial short term, the school prepared individual learning packs for each child. The process then switched quickly to digital learning, using a tried and trusted source of remote learning. Staff kept in regular contact with families, supporting pupils through the transition, interacting with pupils via online storytelling, feedback and live sessions.

For those children who were deemed to be vulnerable or children of critical workers the school opened its doors with a skeleton staff on a rota basis. The children completed the same work as the virtual lessons, whilst engaging in outdoor activities to support their wellbeing. The school remained open during the Easter and May school holiday as well as all bank holidays to support these priority children during the height of the pandemic.

Any child entitled to Free School Meals saw no compromise in nutritional value. The school signed up to the DfE voucher scheme and parents were able to access the vouchers online. Vulnerable pupils and those of critical workers were provided with a hot meal on site daily.

On 1 June 2020, the school welcomed back more pupils. A gradual integration of key worker pupils, Year R, Year 1 and Year 6. Risk assessments were completed to ensure the safety of staff and children, taking into account social distancing, increased cleaning, policy, process and advice from the DfE.

The Trust is extremely proud of all its stakeholders, particularly its staff, children and leadership team during this period of uncertainty. The school adapted quickly to meet the demands and requirements imposed on it. It has successfully met the challenge of the Covid 19 impact, the economic and social consequences, the well-being of pupils and staff, the teaching and learning of all pupils and ultimately the continued education of children.

As the Trust moves forward in these uncertain times it will regularly review and reflect on its processes and practices, adapting to change as required. It will ensure it is prepared for the 4 tiers of government lockdown. It will always keep at the heart of all of its decision making the education of children and the well-being of all stakeholders.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	School	England-national (primary state-funded)
Overall absence percentage	2.9%	3.9%

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 accounts. 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 2020 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 2019), 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 2020, total expenditure of £2,866k (2019: £2,834k) 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 £314k (2019: £120k).

At 31 August 2020 the net book value of fixed assets was £8,623k (2019: £8,739k). Movements in tangible fixed assets are shown in Note 13 to the 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 £1,551k (2019: £1,227k) at 31 August 2020.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Covid 19 Financial effect and going concern

During the period of lockdown, the Trust suffered a significant loss of external income. The extended day activities ceased to run and this led to a downturn in income. However the Trust has always maintained a healthy level of reserves. Therefore with careful and considerate planning the Trust has been able to manage the financial situation without negative impact. The Trust also investigated the implications of its inability to effectively fund raise during this period. The Trust will be looking at alternative and innovate ways to fund raise in the new academic year.

For the coming years, the Trust has produced 3 year budgets taking into consideration any future lockdown in its planning. The Trusts operations and activities will be reviewed in light of the current situation. Planning indicates the Trust can face the uncertainties with a proactive and measured approach and confidence in financial forecasts. Reserves will remain under tight control, any funds required for future projects will be revisited and risk assessed against current operations.

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 (2019: £165k).

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 £126k (2019: £211k) (total funds less the amount held in fixed assets and restricted funds).

The Trustees will look to increasing the level of general unrestricted funds in the coming years. Particular attention will be paid to extended schools income and the provision the school can offer. Staffing levels will also be scrutinised to ensure that the current model meets the needs of the school, paying particular attention to either the loss or replacement of the current bulge class. Other streams of revenue will include the level of support offered under the delivery of school to school support which the Trust is able to offer and charge for using SLE and NLE staffing.

The Academy Trust held fund balances at 31 August 2020 of £7,200k (2019: £7,725k) comprising £7,074k (2019: £7,514k) of restricted funds and £126k (2019: £211k) of unrestricted general funds. Of the restricted funds, £8,623k (2019: £8,741k) is represented by tangible fixed assets and £2k (2019:nil) by unspent devolved capital formula.

The Pension reserve which is considered part of restricted funds was £1,551k (2019: £1,227k) 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.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 £1,551k (2019: £1,227k).

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 status as a Multi Academy Trust.

THE NEWARK TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

On 7 September 2020 Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The Trustees' report, incorporating a strategic report, was approved by order of the governing body, as the company Trustees, on 25 November 2020 and signed on its behalf by:

J Lamaison

Chairman

THE NEWARK TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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

The governing body has delegated the day-to-day responsibility to the Headteacher, 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 accounting officer 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 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
R S Cartledge (Vice Chairman)	6	6
K Krynicki (Accounting officer)	6	6
J Lamaison (Chairman)	6	6
C Newell	5	6
D Reynell	6	6
R Tipping	5	6

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 Trustees also reviewed the skill set of the LGB. New Governors will undertake relevant training to support their role on the LGB. A skills audit for both Trustees and LGB will be carried out in 20/21 and findings would be brought to the Trustees so appropriate training or recruitment could be discussed. During the period of lockdown and beyond both the LGB and Trustees had been kept updated on the guidance and regulations that were required of the school to operate under the new rules. Trustees were grateful to the leadership and staff of the school for their part in ensuring all children continued their education whether remotely or in school. Both Trustees and the LGB met remotely during this time meeting both their obligations and providing support for leadership and the staff of the school.

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 2020

Attendance at meetings in the year was as follows, the Directors were also joined by J Walker (3 out of 5 meetings), S Adams (4 out of 5 meetings) and A Reekie (1 out of 1 meeting):

Trustees	Meetings attended	Out of possible
R S Cartledge (Vice Chairman)	5	5
K Krynicki (Accounting officer)	5	5
J Lamaison (Chairman)	4	5
R Tipping	4	5

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 2020

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 2020

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 Azets 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.

Covid 19 assurance

The Trust has a number of Covid policies and Risk Assessments in place to ensure compliance. Appropriate resources to meet the needs of both the curriculum and safety of the building and staff are appropriately assessed to meet the published value for money statement.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

THE NEWARK TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. 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;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees had appointed Azets, to perform additional checks.

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:

- Review of risk register
- Review of website disclosures
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

This is a reduced planned programme due to the restrictions of audit visits due to Covid in the year.

Normally on a termly basis, the auditor reports to the governing body through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the governing body, and prepares a termly summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. Due to Covid this year only one report was completed and reported to the governing body.

The Trust confirms Azets has delivered their schedule of work as agreed given the Covid restrictions, 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 year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers 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 2020

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 audit 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 25 November 2020 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 2020*

As accounting officer of The Newark Trust, I have considered my responsibility to notify the Academy Trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

K Krynicki
Accounting Officer

25 November 2020

THE NEWARK TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of The Newark Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the governing body on 25 November 2020 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 2020

Opinion

We have audited the accounts of The Newark Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts 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 accounts 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 accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts 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 2020

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 Azets Audit Services
Chartered Accountants
Statutory Auditor

26 November 2020

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 AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 1 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Newark Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

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

Dated: 26 November 2020

THE NEWARK TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	81	12	10	103	237
Charitable activities:						
- Funding for educational operations	4	-	2,136	-	2,136	2,039
Other trading activities	5	195	-	-	195	367
Investments	6	1	-	-	1	-
Total		<u>277</u>	<u>2,148</u>	<u>10</u>	<u>2,435</u>	<u>2,643</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	<u>152</u>	<u>2,587</u>	<u>127</u>	<u>2,866</u>	<u>2,834</u>
Total	7	<u>152</u>	<u>2,587</u>	<u>127</u>	<u>2,866</u>	<u>2,834</u>
Net income/(expenditure)		125	(439)	(117)	(431)	(191)
Transfers between funds	17	(210)	209	1	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	<u>-</u>	<u>(94)</u>	<u>-</u>	<u>(94)</u>	<u>(318)</u>
Net movement in funds		(85)	(324)	(116)	(525)	(509)
Reconciliation of funds						
Total funds brought forward		<u>211</u>	<u>(1,227)</u>	<u>8,741</u>	<u>7,725</u>	<u>8,234</u>
Total funds carried forward		<u>126</u>	<u>(1,551)</u>	<u>8,625</u>	<u>7,200</u>	<u>7,725</u>

THE NEWARK TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2019 £'000
Income and endowments from:					
Donations and capital grants	3	125	46	66	237
Charitable activities:					
- Funding for educational operations	4	-	2,039	-	2,039
Other trading activities	5	367	-	-	367
Total		492	2,085	66	2,643
Expenditure on:					
Charitable activities:					
- Educational operations	8	155	2,542	137	2,834
Total	7	155	2,542	137	2,834
Net income/(expenditure)		337	(457)	(71)	(191)
Transfers between funds	17	(261)	289	(28)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(318)	-	(318)
Net movement in funds		76	(486)	(99)	(509)
Reconciliation of funds					
Total funds brought forward		135	(741)	8,840	8,234
Total funds carried forward		211	(1,227)	8,741	7,725

THE NEWARK TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		8,623		8,739
Current assets					
Debtors	14	62		37	
Cash at bank and in hand		225		299	
		<u>287</u>		<u>336</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(159)		(123)	
Net current assets			128		213
Net assets excluding pension liability			8,751		8,952
Defined benefit pension scheme liability	19		(1,551)		(1,227)
Total net assets			<u>7,200</u>		<u>7,725</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			8,625		8,741
- Pension reserve			(1,551)		(1,227)
Total restricted funds			<u>7,074</u>		<u>7,514</u>
Unrestricted income funds	17		126		211
Total funds			<u>7,200</u>		<u>7,725</u>

The accounts on pages 24 to 46 were approved by the Trustees and authorised for issue on 25 November 2020 and are signed on their behalf by:

J Lamaison
Chairman

Company Number 08765738

THE NEWARK TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(74)		43
Cash flows from investing activities					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		10		28	
Capital funding received from sponsors and others		-		38	
Purchase of tangible fixed assets		(11)		(36)	
Net cash (used in)/provided by investing activities			-		30
Net (decrease)/increase in cash and cash equivalents in the reporting period			(74)		73
Cash and cash equivalents at beginning of the year			299		226
Cash and cash equivalents at end of the year			225		299

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, 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 accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 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.

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.

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

Interest receivable

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

1.4 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 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.

1.6 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 of services it must provide.

1.7 Leased assets

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

1.8 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 12 for the carrying amount of the property plant and equipment, and note 1.5 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	10	10	28
Other donations	81	12	93	209
	<u>81</u>	<u>22</u>	<u>103</u>	<u>237</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	1,568	1,568	1,618
Other DfE group grants	-	266	266	161
ITT bursaries grants	-	-	-	8
	<u>-</u>	<u>1,834</u>	<u>1,834</u>	<u>1,787</u>
Other government grants				
Local authority grants	-	278	278	252
	<u>-</u>	<u>278</u>	<u>278</u>	<u>252</u>
Exceptional government funding				
Coronavirus job retention scheme grant	-	20	20	-
Coronavirus exceptional support	-	4	4	-
	<u>-</u>	<u>24</u>	<u>24</u>	<u>-</u>
Total funding	<u>-</u>	<u>2,136</u>	<u>2,136</u>	<u>2,039</u>

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

The funding received for coronavirus exceptional support covers £4k (2019 - £nil) of cleaning and PPE costs. These costs are included in notes 7 and 8 below as appropriate.

The academy furloughed some of its nursery and wraparound care staff under the government's CJRS. The funding received of £20k (2019 - £nil) relates to staff costs in respect of 8 staff which are included within note 10 below as appropriate.

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	13	-	13	28
School to School support	16	-	16	11
Extended Schools	101	-	101	181
Other income	65	-	65	147
	<u>195</u>	<u>-</u>	<u>195</u>	<u>367</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	1,485	104	203	1,792	1,796
- Allocated support costs	694	206	174	1,074	1,038
	<u>2,179</u>	<u>310</u>	<u>377</u>	<u>2,866</u>	<u>2,834</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	7	7
- Other services	5	6
Operating lease rentals	6	8
Depreciation of tangible fixed assets	127	137
Net interest on defined benefit pension liability	24	22
	<u>169</u>	<u>180</u>

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	111	1,681	1,792	1,796
Support costs				
Educational operations	41	1,033	1,074	1,038
	152	2,714	2,866	2,834
			2020 £'000	2019 £'000
Analysis of support costs				
Support staff costs			694	591
Depreciation			23	33
Technology costs			18	18
Premises costs			183	177
Legal costs			2	2
Other support costs			142	204
Governance costs			12	13
			1,074	1,038

9 Governance costs

	Total 2020 £'000	Total 2019 £'000
All from restricted funds:		
Amounts included in support costs		
Legal costs	2	2
Auditor's remuneration		
- Audit of financial statements	7	7
- Other audit costs	5	6
	14	15

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	1,522	1,519
Social security costs	130	129
Pension costs	527	407
	<hr/>	<hr/>
Staff costs - employees	2,179	2,055
	<hr/>	<hr/>
	2,179	2,055
Staff development and other staff costs	8	10
	<hr/>	<hr/>
Total staff expenditure	2,187	2,065
	<hr/>	<hr/>

Staff numbers

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

	2020 Number	2019 Number
Teachers	24	21
Administration and support	49	54
Management	4	3
	<hr/>	<hr/>
	77	78
	<hr/>	<hr/>

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

	2020 Number	2019 Number
Teachers	21	21
Administration and support	30	29
Management	4	3
	<hr/>	<hr/>
	55	53
	<hr/>	<hr/>

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<hr/>	<hr/>

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

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 £302k (2019: £238k)

11 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 £90,000 - £95,000 (2019: £85,000 - £90,000)
- Employer's pension contributions £20,000 - £25,000 (2019: £10,000 - £15,000)

During the year, £393 (2019: £354) of expenses were reimbursed to 1 (2019: 1) Trustee for travel and staff room costs.

12 Insurance for Trustees and officers

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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 September 2019	8,928	238	9,166
Additions	-	11	11
At 31 August 2020	8,928	249	9,177
Depreciation			
At 1 September 2019	312	115	427
Charge for the year	104	23	127
At 31 August 2020	416	138	554
Net book value			
At 31 August 2020	8,512	111	8,623
At 31 August 2019	8,616	123	8,739

Included in the cost of land and buildings is land of £3,728k (2019: £3,728k) which is not depreciated.

14 Debtors

	2020 £'000	2019 £'000
VAT recoverable	6	6
Prepayments and accrued income	56	31
	62	37

15 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Other taxation and social security	32	30
Other creditors	38	31
Accruals and deferred income	89	62
	159	123

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	61	46
	<u>61</u>	<u>46</u>
Deferred income at 1 September 2019	46	50
Released from previous years	(46)	(50)
Resources deferred in the year	61	46
	<u>61</u>	<u>46</u>
Deferred income at 31 August 2020	61	46

At the balance sheet date the academy trust was holding funds relating to UIFSM funding, wraparound care and nursery fees received in advance.

17 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,568	(1,777)	209	-
Other DfE / ESFA grants	-	270	(270)	-	-
Other government grants	-	298	(298)	-	-
Other restricted funds	-	12	(12)	-	-
Pension reserve	(1,227)	-	(230)	(94)	(1,551)
	<u>(1,227)</u>	<u>2,148</u>	<u>(2,587)</u>	<u>115</u>	<u>(1,551)</u>
Restricted fixed asset funds					
DfE group capital grants	-	10	-	(8)	2
Private sector capital sponsorship	8,741	-	(127)	9	8,623
	<u>8,741</u>	<u>10</u>	<u>(127)</u>	<u>1</u>	<u>8,625</u>
Total restricted funds	7,514	2,158	(2,714)	116	7,074
Unrestricted funds					
General funds	211	277	(152)	(210)	126
	<u>211</u>	<u>277</u>	<u>(152)</u>	<u>(210)</u>	<u>126</u>
Total funds	7,725	2,435	(2,866)	(94)	7,200

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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 2020.

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 CJRS and exceptional CV19 grants, 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.

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,618	(1,907)	289	-
Other DfE / ESFA grants	-	169	(169)	-	-
Other government grants	-	252	(252)	-	-
Other restricted funds	-	46	(46)	-	-
Pension reserve	(741)	-	(168)	(318)	(1,227)
	<u>(741)</u>	<u>2,085</u>	<u>(2,542)</u>	<u>(29)</u>	<u>(1,227)</u>
Restricted fixed asset funds					
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>
Total restricted funds	<u>8,099</u>	<u>2,151</u>	<u>(2,679)</u>	<u>(57)</u>	<u>7,514</u>
Unrestricted funds					
General funds	135	492	(155)	(261)	211
	<u>135</u>	<u>492</u>	<u>(155)</u>	<u>(261)</u>	<u>211</u>
Total funds	<u>8,234</u>	<u>2,643</u>	<u>(2,834)</u>	<u>(318)</u>	<u>7,725</u>

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	8,623	8,623
Current assets	126	159	2	287
Creditors falling due within one year	-	(159)	-	(159)
Defined benefit pension liability	-	(1,551)	-	(1,551)
Total net assets	126	(1,551)	8,625	7,200
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	8,739	8,739
Current assets	334	-	2	336
Creditors falling due within one year	(123)	-	-	(123)
Defined benefit pension liability	-	(1,227)	-	(1,227)
Total net assets	211	(1,227)	8,741	7,725

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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £38k (2019: £31k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £195k (2019: £135k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5% to 12.8% for employees.

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

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	126	126
Employees' contributions	36	36
Total contributions	162	162

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.1	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020 Years	2019 Years
Retiring today		
- Males	22.1	21.6
- Females	24.3	23.6
Retiring in 20 years		
- Males	22.9	22.5
- Females	25.7	25

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

	2020 £'000	2019 £'000
Discount rate - 0.5%	333	316
Salary increase rate + 0.5%	17	34
Pension increase rate + 0.5%	312	276

Defined benefit pension scheme net liability

Scheme assets	1,403	1,351
Scheme obligations	(2,954)	(2,578)
Net liability	(1,551)	(1,227)

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

	2020 Fair value £'000	2019 Fair value £'000
Equities	1,010	959
Bonds	239	243
Cash	42	41
Property	112	108
Total market value of assets	1,403	1,351

The actual return on scheme assets was £(93,000) (2019: £77,000).

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	330	262
Past service cost	2	10
Interest income	(26)	(34)
Interest cost	50	56
Total operating charge	356	294
Changes in the present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September 2019	2,578	1,866
Current service cost	330	262
Interest cost	50	56
Employee contributions	36	36
Actuarial (gain)/loss	(25)	361
Benefits paid	(17)	(13)
Past service cost	2	10
At 31 August 2020	2,954	2,578
Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000	2019 £'000
At 1 September 2019	1,351	1,125
Interest income	26	34
Actuarial loss/(gain)	(119)	43
Employer contributions	126	126
Employee contributions	36	36
Benefits paid	(17)	(13)
At 31 August 2020	1,403	1,351

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £'000	2019 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(431)	(191)
Adjusted for:		
Capital grants from DfE and other capital income	(10)	(66)
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	206	146
Defined benefit pension scheme finance cost	24	22
Depreciation of tangible fixed assets	127	137
(Increase)/decrease in debtors	(25)	12
Increase/(decrease) in creditors	36	(17)
Net cash (used in)/provided by operating activities	(74)	43

21 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	299	(74)	225

22 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.

THE NEWARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Commitments under operating leases

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

	2020 £'000	2019 £'000
Amounts due within one year	6	6
Amounts due in two and five years	19	25
	<hr/> 25	<hr/> 31
	<hr/>	<hr/>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

25 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.