

Company Registration Number: 07937849 (England & Wales)

NEW ISLINGTON FREE SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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NEW ISLINGTON FREE SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr S V Leeming Mrs M C Bolton Dr M A Boulton Mr J H Headifen Mr E M Watkins CBE * (deceased 16 August 2021)
Governors	Mr E M Watkins CBE *, Chair of Governors (deceased 16 August 2021) Dr M A Boulton*, Chair of Governors (from 15 September 2021) Mr S Foster * Mrs L A Hamilton Mrs M C Bolton* Mrs A Ryan Dr N Bhayankaram Mr A Shan * Mr R Goodaire Mr I Ussenudoh Mrs T Smith, Head Teacher Mrs L Ritchie (appointed 15 September 2020)

* members of the Finance, Resources, Health & Safety and Audit Committee

Company registered number	07937849
Company name	New Islington Free School
Principal and registered office	10 Hugh Oldham Way Manchester M4 6EY
Chief executive officer	Mrs T Smith
Senior management team	Mrs T Smith, Head Teacher and CEO Mrs P Millward, School Business Manager until 30 April 2021 Mrs A Kenny-Roberts, School Business Manager from 1 July 2021 Mrs K Reveley, Deputy Head Teacher from 1 September 2020
Independent auditor	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
Bankers	NatWest Bank Plc 182 Deansgate Manchester M2 3LY

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1st September 2020 to 31st August 2021. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law.

Structure, governance and management

Constitution

New Islington Free School is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust. The charitable company is known as New Islington Free School (NIFS).

NIFS has entered into a funding agreement with the Department for Education, which provides a framework within which the School must operate. The principal object of the Academy Trust is to advance, for the public benefit, education in the United Kingdom by leading and developing a school offering a broad and varied curriculum.

The Governors of NIFS are also the directors of the charitable company for the purpose of company law.

Details of the Governors who served during the year are included in the Reference and Administrative details on page 1.

It was with deep sadness that the School announced the death of the Chairman of Governors, Mr Maurice Watkins CBE on 16th August 2021. Mr Watkins was the School's first Chair and was instrumental in the vision to found a new primary school in the heart of the city centre, almost a decade ago. Mr Watkins worked tirelessly to ensure that the school was successful in providing high quality education and the success of the school was in no small part due to his efforts. He was very proud of the school and cared deeply for its staff and pupils.

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.

Governors' indemnities

The Academy Trust has purchased insurance to cover Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Details of the costs can be found in note 12 of the accounts.

Recruitment, Induction and Training of new Governors

Governors are appointed for a four year period, however, this time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Parent Governor

On re-election or appointment the vacancy is advertised by the School and all parents of pupils at the School can apply. If more than one nomination is received, an election by secret ballot is held so that all of the academy parents can choose who will represent them on the Board of Governors. The term of office is 4 years. There were no new Parent Governors appointed in the period 2020/21.

Staff Governor

On re-election or appointment the vacancy is advertised by the School and all staff at the School can apply. If more than one nomination is received a secret ballot takes place. The term of office is 4 years. There was one new Staff Governor appointed in the period 2020/21.

New Governors

Existing Governors make recommendations to the Board. The Chair of Governors will then invite the candidate to discuss his/her nomination. The Chair will forward the nomination to the Board who will then hold a ballot. The newly appointed Governor will be introduced to the Board and the following procedures will take place.

New Governors are provided with an induction pack and other documents that they will need to undertake their role as Governors. Induction tends to be done informally by the Head Teacher and is tailored specifically to the individual. New Governors have a bespoke tour of the school, and are given the opportunity to ask questions about the role and remit of the committees.

Governors can attend 'New Governor Induction' training and other courses relevant to their specific areas of interest and the committees they sit on or wish to join.

Due to the restrictions of COVID-19, Governor training opportunities and visits to school during 2020/21 were curtailed.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The Governors, as Governors of the Academy Trust, are legally responsible for the overall management and control of the Academy Trust and the full governing body meets at least three times a year.

There was one Extra-Ordinary Governing Body meeting held in July 2021 to inform all Governors about staff changes, and to discuss the possible future direction of the school.

The work of implementing most of the School's policies is carried out by four sub committees:

- The Finance, Resources, Health and Safety and Audit Committee (FRHS&A) which meets approximately two weeks before each meeting of the full Governing Body
- The Teaching & Learning / Pupil Performance Review Group
- The Remuneration Committee
- The Communication and Marketing Committee

All these sub committees meet at least termly, with the exception of the Remuneration Committee which meets in the Autumn and Summer term, and the Communications and Marketing Committee which met once in 2020/21.

The day to day running of the Academy Trust is delegated to the Head Teacher supported by a staff team with defined areas of responsibility.

Connected organisations including related party relationships

The principal proposer of NIFS was The Manchester Grammar School (MGS) (registered charity number: 529909). NIFS shares a Chairman and Treasurer with MGS. Whilst the Trusts are separate and operate independently, the ethos and values of MGS are transferred to NIFS via this relationship. MGS provides educational support and guidance to NIFS at governance, management, teacher and pupil level as part of its public benefit activities as a charity.

Pay policy for key management personnel

The remuneration of the Schools' Head Teacher for the year 2020 to 2021 is a spot salary determined annually by the Remuneration Committee. The Deputy Head Teacher's salary is determined annually by the Remuneration Committee and follows the School Teachers Review Body recommendations. The salary awarded is informed by: appraisal outcomes; the progress of children; benchmarking with other schools; the size of the school and the need to recruit the best people.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Vision and Mission Statement

NIFS Vision Statement

To empower our children to approach all challenges and opportunities presented to them, with confidence and resilience.

NIFS Mission

We aim to achieve this by developing learners who:

- Understand the importance of our core values of respect, resilience, kindness and cooperation.
- Celebrate the cultural, religious and social diversity of our school community.
- Are enthusiastic, who are determined to excel, who rise to new challenges and embrace new experiences.
- Are confident, who have a sense of self respect, who feel secure and safe, and who have a sense of well-being – both physical and emotional.
- Are responsible and accountable, who understand their role within our school and the wider community.

NIFS Strategy

We aim to achieve this through:

- Having a common understanding of what 'excellence' looks like here at New Islington, and striving for nothing short of excellence in everything that we do.
- Ensuring that our children are safe and secure at all times, and that all adults fully understand the role that they play in safeguarding our children.
- Encouraging the school community (adults, children, parents, and Governors) to show high levels of trust, respect and understanding, and to promote the school values.
- Developing a curriculum for excellence: ambitious, aspirational, relevant, and varied – a curriculum that supports all our pupils regardless of ability.
- Delivering this curriculum within a high quality and safe environment.
- Having high expectations for positive behaviour, supporting and encouraging those with additional needs through restorative approaches.
- Having a strong and well informed Governing Board.

Teaching and Learning

The Governors and staff of NIFS endeavour to deliver an inspirational curriculum for all pupils. The school received its first Ofsted inspection in June 2015 and was judged Outstanding in all areas. The leadership team works tirelessly to ensure the school is self-reflective, and continues to develop in all areas.

The main focus of the School Development Plan (SDP) in the academic year 2020/21 was driven by the need to manage the impact of COVID-19 on pupil outcomes and wellbeing.

To this end, a 'live and learn well alongside COVID-19' plan of action was developed, demonstrating our capacity to improve with a determined focus to address the impact of the pandemic.

SDP Priority 1:

To ensure that our remote learning provision supports as well as enhances effective 'Quality First Teaching' when away from the classroom.

SDP Priority 2:

To develop and implement an effective programme to support the social, emotional and behavioural needs of

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

individual pupils who find the return to school challenging through Targeted Behavioural and Emotional Support Plans which run alongside flexible and needs-driven training and curriculum adaptations.

SDP Priority 3:

To develop a programme of Targeted Academic Support underpinned by effective assessment and data analysis to ensure all children have every opportunity to meet the expected standard.

The Co-Curriculum: Enriching our Learners

The staff and Governors understand the importance of providing rich and varied experiences for our pupils, both within lessons and outside the classroom.

We had clear plans in place to embed the initiatives from 2019/20, to enrich our pupil's experiences in the areas of sport, music, community links as well as through workshops to bring learning to life.

However, the severe restrictions imposed due to COVID-19 meant that none of these could take place.

Our biggest achievement in terms of developing the school site during the year 2020/21, that had an immediate and long lasting positive impact, was our project to convert our field to an all-weather pitch.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Governance

During the reporting year, the Board of Governors has continued to support and challenge the Head Teacher and the leadership team through all meetings, which were held virtually due to the constraints of the pandemic.

Support and Challenge within the Finance, Health and Safety and Audit framework continued:

- Rigorous monitoring of the budget and income and expenditure lines paying particular attention to any variances
- Ensuring that the remit of the Academies Financial Handbook and any changes to such are carried out.
- Analysing bench-marking data, key financial performance indicators and measuring performance against these regularly, to ensure that everything that the school spends is focused on improving the outcomes for its pupils and therefore providing value for money.
- Ensuring that the Health and Safety Policy is maintained and that the school is a safe environment for its pupils, staff and visitors.
- Ensuring there is a robust internal control framework in place – the Academies Financial Handbook requires Academy Trusts to put in place sound internal control, risk management and assurance processes, the Trust therefore has processes in place to check financial systems, controls, transactions and risks. The system of internal control includes the review and scrutiny by members of the FRHSA committee of, but not limited to:
- Review of all skills and expertise of key staff and Governors; assessment and self-evaluation including, but not limited to, Head Teacher, School Business Manager, other staff with financial involvement and all Governors
- Review of inspections, audit reports and assessments (Ofsted, external and internal audit, responsible officer / Governor reports)

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, Strategies and Activities during the period to August 2021

New Islington Free School is a safe, healthy and nurturing environment for all the children, their families and the community. All children are encouraged to believe in themselves, discover their own strengths and be the best that they can be through a stimulating, rich and varied curriculum.

NIFS has continued its journey of school development throughout 2020/21, despite the constraints and challenges posed by COVID-19. Supported by the School Development Plan, our priorities have focussed on:

- Ensuring that our remote learning provision supported as well as enhanced effective 'Quality First Teaching' when away from the classroom.
- Developing and implementing an effective programme to support the social, emotional and behavioural needs of individual pupils who find the return to school challenging through Targeted Behavioural and Emotional Support Plans which run alongside flexible and needs-driven training and curriculum adaptations.
- Developing a programme of Targeted Academic Support underpinned by effective assessment and data analysis to ensure all children have every opportunity to meet the expected standard.

Further priorities to ensure the school continued to develop included:

- The recruitment of a new Deputy Head who joined the team in September 2020, to take the lead on relationships and behaviour, as well as developing the role of Special Educational Needs Coordinator.
- The development and implementation of a 'catch up' programme to identify and mitigate gaps in learning and progress for pupils where learning was significantly disrupted as a result of the pandemic, using national funding where available.
- A focus on the personal development and welfare of staff and pupils by providing proactive support for the mental health and well-being of all staff and children in school.
- The development of our outdoor learning environment, including an all-weather AstroTurf pitch and our Forest School area.

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FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, Strategies and Activities during the period to August 2021 (continued)

Managing COVID-19

In order to support our more vulnerable families, we have participated in the national free school meals voucher scheme, acting as a facilitator for the distribution of vouchers from the scheme provider to the parents of eligible pupils. Whilst we have not incurred any exceptional costs or received any additional funding in respect of this scheme, the benefit for our families has been enormous. For the period of the scheme we have issued food vouchers to the value of £10,095 to all of our families who are in receipt of free school meals. This includes a mixture of Local Authority and school administrated schemes, and represents an eligibility of 41 pupils in the October 2020 half term, increasing to 56 pupils in the summer holidays.

Effective measures were introduced to ensure a high quality education for all of our pupils continued. During the 'lock-down' period, we provided a wide range of relevant, interesting and varied online learning opportunities. Accessed via our website, Home Learning Grids provided a high level of challenge for all pupils. This work was supplemented by other links to websites. Teachers and Teaching Assistants wrote weekly to their classes and gave additional challenges and quizzes within these letters. In addition to these weekly letters, our more 'vulnerable' pupils were sent a bespoke letter each week with personalized challenges and learning opportunities. We ensured that all pupils had access to an online library of 1000s of books as well as free access to our mathematics scheme. We provided paper packs of work for those families who could not access the internet. Families emailed work in to teachers who gave personal feedback as well as giving recognition in the weekly letters.

The financial and operational effects of the virus and the associated control measures relating to the virus were effectively managed so that the principal risks and uncertainties facing the Academy Trust during the reporting period were minimized.

We received a total of 15 laptops via the Government Scheme. These were used to support the learning of our most disadvantaged pupils, during bubble closures and the January 2021 lockdown.

Future Objectives, Activities and Strategies in the light of COVID-19

The future objectives, aims and activities of the Academy Trust will continue to be adapted in a dynamic manner to reduce the impact of any continuing virus control measures. The leadership team continue to work closely with Governors to ensure that a broad and balanced curriculum is delivered in a safe environment.

The operations of the Academy Trust will be managed in such a way as to reduce the impact in both the short and the long term.

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FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, Strategies and Activities during the period to August 2021 (continued)

Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at www.charitycommission.gov.uk) in exercising their powers or duties.

In providing education to children in an area of Manchester with a basic needs (places) deficit, the Academy Trust is providing Public Benefit. Children can access the facilities and provisions of the Academy Trust at no charge to their families. The only admissions criteria that differentiate between applicants are based on place of residence (distance from the Academy Trust) and siblings already on the school roll.

Pupil Attainment

Due to COVID-19, and the absence of formal testing in 2021, our Key Stage 2 data set remains above National Average.

The school had a full Ofsted inspection in June 2015 with an overall 'Outstanding' grading.

Strategic report

Achievements and performance

Key performance indicators

The Trust monitors its key financial performance indicators and compares with other comparator schools using the Department for Education Benchmarking Report Card. This is to enable the Academy Trust to understand how it is performing, and to monitor its performance when compared with peer organisations. This is to ensure that the Trust continues to provide value for money.

Key Performance Indicators	2020/21	2019/20
Total Staff Costs to EFA Revenue Income (%)	86%	85%
Total Staff Costs to Total Income (%)	75%	72%
Total Staff Costs as Proportion of Total Expense (%)	77%	73%
Pupil Teacher Ratio	23	24
Average Teacher Cost (£)	44,337	48,826

Achievements are reported by the Head Teacher in the Academy Trust's Value for Money statement.

Most of the Trust's income is obtained from the Department for Education in the form of grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

During the year ended 31 August 2021, total expenditure of £2,078,889 was covered by grant funding from the Department for Education together with other incoming resources.

The operating surplus for the year (excluding restricted fixed asset funds, pension charges of £100,000 and transfers to the restricted fixed asset fund) was £67,425.

At 31 August 2021 the net book value of fixed assets was £5,802,522 and movements in tangible fixed assets are shown in note 13 to the accounts. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Reserves policy

The Governors 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 Governors take into consideration the future plans of the Academy Trust, future income streams and key risks identified during the risk review.

Academies are expected to create contingency reserves from their annual GAG funding or other income. During the early years of operation GAG Funding levels create little opportunity to achieve a surplus to add to reserves. However, the Governors believe that a revenue reserve should be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

Currently, the DfE provides minimal funding by way of Devolved Formula Capital Grant. In addition academies are able to bid for a share of the Academies Capital Maintenance Fund. The Governors of New Islington Free School will require a capital reserve to be created to fund future capital expenditure.

The Governors consider the appropriate level of restricted and unrestricted revenue reserves for New Islington Free School to be £150,000. The balance at 31 August 2021 was £284,923. We aim to build reserves to accommodate future growth and facilities.

Reserves policy and Covid-19

Governors are confident that there has not been any lasting impact on the academy trust's reserves policy, level of reserves or any change to funds set aside for future commitments as a result of COVID-19

Investment policy

A formal investment policy has not been adopted by the Trustees. The Trust does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow. The Trust will, after constructing and reporting forecasts versus budgets, consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the Trust not to invest funds in this manner.

Fundraising

The Academy Trust had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Funding streams and COVID-19

COVID-19 has had a negative impact on the Academy Trust's ability to fundraise as the main fundraising events of the year planned by the Parent Teacher Association (PTA) had to be cancelled. This reduced ability to fundraise was managed by scaling back the PTA spending plans to the support of the school's Hardship Fund.

The school was used as the set for a BBC TV series, carefully managed during a school holiday following strict COVID guidelines. This raised £3,300.

COVID catch up premium received in 2020/21 was £25,760. This was spent on funding our intervention teacher. The amount received for the Job Retention Scheme in 2020/21 was £4,729, which contributed towards the payroll of 2 furloughed staff working in wraparound provision.

The COVID-19 pandemic impacted our ability to raise money from our Wraparound Club considerably. We had predicted that this childcare facility would generate an income (after staffing and costs) of £16,392. Instead, by the close of the academic year, we were in a deficit position of £1,602. This was driven entirely by the drop in numbers attending the club – either through bubble closures or the whole school closure.

Going Concern – Plans for the Future

The New Islington Free School Board of Governors is confident that the Academy Trust has adequate resources and capacity to continue to grow and thrive for the foreseeable future.

Since opening, the Academy Trust has grown year by year and we are on track to be full to capacity by 2022/23. The Governing Board closely monitors the New Islington Free School catchment area, and the school has a clear publicity and pupil recruitment programme. The Head Teacher usually conducts personalised tours in order for prospective parents to see the Academy Trust during the school day. Despite the need to curtail these due to COVID-19, our applications for places at school were still strong. A new website and new marketing materials were developed during the year, with attractive new branding being reflected in a new uniform.

The Governing Board works closely with the Leadership team to ensure the Academy Trust finances are rigorously managed, with effective budget monitoring and accurate budget forecasts.

The Head Teacher and Governors have made significant improvements to the facilities, so that the Academy Trust remains an attractive choice for parents.

The Head Teacher works closely with the Board to ensure a clear vision of excellence for the Academy Trust.

The Board of Governors ensure staffing at the school is stable, and when new staff are needed there is an effective recruitment process to ensure the very best candidates are shortlisted, interviewed and recruited.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Going Concern and COVID-19

Governors and the Head Teacher have worked closely throughout the period of school closure to monitor and address any changes in pupil numbers. Our pupil population is mobile and multicultural, and COVID-19 has had a short term impact as families returned to their family homes abroad. We consider that the immediate changes to the pupil population experienced during the start of the 2020 academic year can be considered as an isolated scenario.

The Head Teacher has strengthened the Academy Trust's future position by amalgamating two classes to take effect in September 2021. This will be a short term change to the classing structure, but one that ensures staffing costs are kept down and class sizes more even.

Financial risk management objectives and policies

During the year of operation, the Academy Trust's source of income is grant income from the ESFA and voluntary income and income from lettings. The only liabilities are the payroll, capital and educational costs associated with it operating a school at New Islington, Manchester. Revenue funding is provided on a formulaic basis by ESFA and paid in monthly instalments. Thus, potential inadequate cash flow represents a minimal risk. The Trust's General Annual grant for 2020/21 was estimated on the basis of the Academy Trust having 341 pupils on roll (through the revenue funding data collection) – the census in October 2020 confirmed the pupil count at 322. We did have a negative Pupil Number Adjustment of 19 pupils, equating to £76,114 which was recouped in July 2021. This PNA was as a direct result of mobility caused by the pandemic, with pupils returning to their homes overseas, or relocating due to work.

Funds held as custodian on behalf of others

The Academy Trust does not hold any funds as Custodian on behalf of others.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Governors maintain a Risk Register which informs management decisions and the provisions in the Business Continuity Plan. Risks are categorised as follows:

Strategic	Strategic Governance Projects
People	Staff Pupils Third parties Safeguarding
Resources	Premises ICT Supply chain
Financial	Value for money Irregularity Reliability Statutory
Information	Freedom of Information Act Data Protection Act Statutory records
Health and Safety	Policy Management
Environmental	COVID-19 Critical Incident Plan and Business Continuity Plan Acts of God

On this basis, the most significant risks identified by the Governors are:

- Failure to plan for Acts of God and other significant external risks
- Failure to comply with all safeguarding duties
- Failure to comply with General Data Protection Legislation (GDPR)
- Failure to maintain site security at appropriate levels
- Failures associated with computers and associated software
- Failure to ensure that the financial systems of the school are secure

The Risk Register remains a working and live document and Governors work with the Senior Leadership Team to analyse whether there might be new risks that the Trust needs to consider.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties and COVID-19

Governance and control arrangements, staffing levels and operations of the Academy Trust have not been affected by COVID-19. All committee meetings took place remotely and all governor business was completed as expected and on time. Governors were kept up-to-date by the Head Teacher through regular updates, including the sharing and agreement of Risk Assessments.

We did not meet the qualifying criteria for the financial support scheme for schools and have incurred no exceptional costs which are eligible for support.

In January 2021 we put two members of our Wraparound Team on Furlough, claiming support amounting to £4,729 under the Coronavirus Job Retention Scheme.

Financial

The Academy Trust has considerable reliance on continued government funding through the ESFA. Whilst there had been some concerns that the economic impact of COVID-19 might impact on school budgets generally, we maintained tight and careful control over our budgeted expenditure and monthly budget monitoring. NIFS produces monthly management reports so that Governors can monitor its financial results and have a more realistic outlook as to whether the budget will be met.

The AFH sets out what the Trust's internal framework must include. In terms of aspects relating to finances this includes:

- co-ordinating the planning and budgeting processes
- applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties
- preparation of monthly budget monitoring reports

Management accounts allow the Academy Trust to compare actual results to budgets and to establish where we might have over / under spent during the period. Regular re-forecasts enable the Academy Trust to look ahead and determine where costs are too high, and therefore may need reducing, together with where there may be opportunities to capitalise on a better-than-expected income stream. Other benefits include:

- an understanding of why variances have arisen
- providing information about the level of costs, such as staff costs in relation to income and whether this is at a reasonable and sustainable level
- the provision of information to Trustees on the current financial performance of the Academy Trust.

NIFS also has access to an experienced Treasurer.

Funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will continue to be tight in coming years. An ongoing Employment Tribunal (2019 to 2021) was finalized with all costs covered by the Academy Trust's insurance.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance and Resources, Health and Safety and Audit (FRHSA) Committee meetings. The Governors also ensure sufficient funds are held to cover all known and anticipated commitments. At the year-end, the Academy Trust had no significant liabilities

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

arising from trade creditors or debtors where there would be a significant effect on liquidity.

Pension liability

The Board of Governors recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the financial statements, represents a significant potential liability. However, the Governors consider that the Academy Trust is able to meet its known annual contribution commitments at present and the risk is to be kept under close review.

Pension liability and Covid-19

Governors do not consider that there are any implications for any existing or potential defined benefit pension liability and investments the academy trust holds as a result of COVID-19.

Other risks

Failures in governance and/or management - the risk in this area arises from potential failure to manage effectively the Academy Trust's finances, internal controls and compliance with regulations and legislation. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks. A rigorous internal controls framework has been implemented and Tridan Business Concepts monitors the controls and procedures annually.

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupil success and achievement are closely monitored by the Teaching and Learning / Pupil Progress Committee, as well as a concerted effort to promote the Academy Trust amongst the community.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. The Single Central Register is maintained by the Head Teacher and checked by the designated Safeguarding Governor. Systems and structures are in place to ensure Governors are fully informed of case studies, giving an overall picture of the needs of families and children.

Staffing - the continued success of the Academy Trust is reliant on the quality of its staff and so the Governors work with the Head Teacher to monitor and review policies and procedures ensuring the very best staff are appointed. Once on the staff team, there is continued development and training. Succession planning is discussed by the Governing Body.

Fraud and mismanagement of funds - the Academy Trust has appointed an Internal Controls Reviewer to carry out checks on financial systems and records as required by the Academy's Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Future plans

During the academic year 2020/21, the Academy Trust increased in size - we now have 12 classes and will be at full capacity by 2022/23. The Leadership Team will continue to work with Governors to ensure that the school facilities and resources can meet the needs of an increased number of pupils on site. The Leadership Team is aware of the demands of a growing school in terms of personnel and space; ongoing discussions with Governors take place to ensure internal and external facilities are fit for purpose for when the Academy Trust is at full capacity.

In accordance with best practice, the Governors will continue to review the strategic and operational environment in which the school operates to ensure optimum efficiency including joining a Multi Academy Trust.

Disclosure of information to auditor

Each of the persons who is a Governor at the time when this Governors' report is approved has confirmed that:

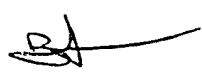

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as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

The audit firm Crowe U.K. LLP has been appointed as the Academy Trust's auditor. The audit report has therefore been issued by Crowe U.K. LLP.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 14th December 2021 and signed on its behalf by:



Dr M A Boulton
Chair of Governors

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that New Islington Free School 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 Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between New Islington Free School and the Secretary of State for Education. The Head Teacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 12 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr E M Watkins CBE *, Chair of Governors	4	4
Dr M A Boulton*, Chair of Governors	4	4
Mr S Foster *	3	4
Mrs L A Hamilton	3	4
Mrs M C Bolton*	4	4
Mrs A Ryan	4	4
Dr N Bhayankaram	4	4
Mr A Shan *	4	4
Mr R Goodaire	4	4
Mr I Ussenudoh	2	4
Mrs T Smith, Head Teacher	4	4
Mrs L Ritchie	3	4

The Finance Resources Health & Safety and Audit Committee is a sub-committee of the Board of Governors. Its purpose is to establish and monitor appropriate financial policies and procedures; to hold the Academy Trust's management to account for the proper conduct of the Academy Trust's financial activities; to ensure that all financial accounting and auditing is carried out properly. The Finance Resources Health and Safety and Audit Committee reports to the Board of Governors.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mrs T Smith	3	3
Mrs M C Bolton	3	3
Mr S Foster	2	3
Mr A Shan	1	3
Mr E M Watkins CBE	3	3
Dr M A Boulton	3	3

Review of value for money

As Accounting Officer, the Head Teacher 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 Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by effective and timely use of the furlough scheme, careful procurement, strategic deployment of support staff and class amalgamation.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 New Islington Free School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors 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 Governors 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 year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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 Board of Governors
- regular reviews by the FRSH&A Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties;
- identification and management of risks

The Board of Governors has continued to use Tridan Business Concepts Ltd as our Internal Auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On an annual basis, the reviewer reports to the Board of Governors through the FRHSA committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities and prepares a 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.

During the period Tridan Business Concepts Ltd undertook one visit, over two days, which included a high level review of existing controls.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Head Teacher 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 reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the results of the review of the internal control report by the FRHSA Committee and also the plans to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on *December 14th 2021* and signed on their behalf by:



Dr M A Boulton
Chair of Governors

Tabitha Smith
Mrs T Smith
Accounting Officer

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of New Islington Free School I have considered my responsibility to notify the Academy Trust Board of Governors 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 2020.

I confirm that I and the Academy Trust Board of Governors are able to identify any material irregular or improper use of all 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 2020.

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

Tabitha Smith

Mrs T Smith
Accounting Officer

Date: 14th December 2021

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction 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 Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

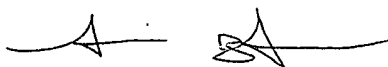
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 14th December 2021
and signed on its behalf by:



Dr M A Boulton
Chair of Governors

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NEW ISLINGTON FREE SCHOOL

Opinion

We have audited the financial statements of New Islington Free School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its *incoming resources and application of resources, including its income and expenditure for the year then ended*;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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

Conclusions relating to going concern

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

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

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

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NEW ISLINGTON FREE SCHOOL (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NEW ISLINGTON FREE SCHOOL (CONTINUED)

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors 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 Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NEW ISLINGTON FREE SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Academy Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Academy Trust for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

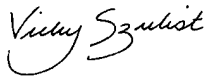
NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NEW ISLINGTON FREE SCHOOL (CONTINUED)

Auditor's report.

Use of our report

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 15th December 2021

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW
ISLINGTON FREE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 July 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New Islington Free School during the year 1 September 2020 to 31 August 2021 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 New Islington Free School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to New Islington Free School 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 New Islington Free School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of New Islington Free School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of New Islington Free School's funding agreement with the Secretary of State for Education dated 21 May 2013 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW ISLINGTON FREE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 15th December 2021

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	13,256	-	7,510	20,766	11,070
Other trading activities		74,052	-	-	74,052	88,727
Charitable activities		-	1,792,951	-	1,792,951	1,640,941
Total income		87,308	1,792,951	7,510	1,887,769	1,740,738
Expenditure on:						
Charitable activities	7	87,308	1,825,526	166,055	2,078,889	1,907,085
Total expenditure		87,308	1,825,526	166,055	2,078,889	1,907,085
Net expenditure		-	(32,575)	(158,545)	(191,120)	(166,347)
Transfers between funds	16	-	(82,750)	82,750	-	-
Net movement in funds before other recognised gains/(losses)		-	(115,325)	(75,795)	(191,120)	(166,347)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(10,000)	-	(10,000)	(107,000)
Net movement in funds		-	(125,325)	(75,795)	(201,120)	(273,347)
Reconciliation of funds:						
Total funds brought forward		-	(67,752)	5,879,424	5,811,672	6,085,019
Net movement in funds		-	(125,325)	(75,795)	(201,120)	(273,347)
Total funds carried forward		-	(193,077)	5,803,629	5,610,552	5,811,672

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 36 to 61 form part of these financial statements.

NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07937849

BALANCE SHEET
AS AT 31 AUGUST 2021

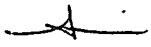
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	5,802,522	5,879,077
		<u>5,802,522</u>	<u>5,879,077</u>
Current assets			
Debtors	14	75,070	53,926
Cash at bank and in hand		289,688	330,915
		<u>364,758</u>	<u>384,841</u>
Creditors: amounts falling due within one year	15	(78,728)	(84,246)
Net current assets		<u>286,030</u>	<u>300,595</u>
Total assets less current liabilities		<u>6,088,552</u>	<u>6,179,672</u>
Net assets excluding pension liability		<u>6,088,552</u>	<u>6,179,672</u>
Defined benefit pension scheme liability	22	(478,000)	(368,000)
Total net assets		<u><u>5,610,552</u></u>	<u><u>5,811,672</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	5,803,629	5,879,424
Restricted income funds	16	284,923	300,248
Pension reserve	16	(478,000)	(368,000)
Total restricted funds	16	<u>5,610,552</u>	<u>5,811,672</u>
Unrestricted income funds	16	<u>-</u>	<u>-</u>
Total funds		<u><u>5,610,552</u></u>	<u><u>5,811,672</u></u>

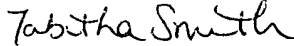
NEW ISLINGTON FREE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07937849

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 32 to 61 were approved by the Governors, and authorised for issue on *December 14 2021* and are signed on their behalf, by:

 
Dr M A Boulton
Chair of Governors


Mrs T Smith
Accounting Officer

The notes on pages 36 to 61 form part of these financial statements.

NEW ISLINGTON FREE SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	40,763	56,777
Cash flows from investing activities	19	(81,990)	(10,285)
Change in cash and cash equivalents in the year		(41,227)	46,492
Cash and cash equivalents at the beginning of the year		330,915	284,423
Cash and cash equivalents at the end of the year	20, 21	289,688	330,915

The notes on pages 36 to 61 form part of these financial statements

NEW ISLINGTON FREE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The New Islington Free School Board of Governors is very confident that the school has adequate resources and capacity to continue to grow and thrive for the foreseeable future.

Since opening, the school has grown year by year and we are on track to be full to capacity by 2022/23. The Governing Board closely monitors the New Islington Free School catchment area and pupil demand and plans.

The Communications and Marketing Committee continues a successful marketing campaign to ensure numbers are maintained. A new website has now gone 'live' as from September 2021.

The Finance, Resources, Health and Safety Committee closely monitors the budget and ensures that this is managed rigorously.

The Governing Board works closely with the Leadership team to ensure the school finances are rigorously managed, with effective budget monitoring and accurate budget forecasts.

The Head Teacher and Governors have made significant improvements to the facilities, so that the school remains an attractive choice for parents. The Head Teacher works closely with the Board to ensure a clear vision of excellence for the school. The Board of Governors ensure staffing at the school is stable.

The Governors 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 Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NEW ISLINGTON FREE SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

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 year for which it is receivable and any abatement in respect of the year 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 recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **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.

All resources expended are inclusive of irrecoverable VAT.

NEW ISLINGTON FREE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 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 Part 11, chapter 3 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.

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Furniture and equipment	- 7 years straight line
Computer equipment	- 3 years straight line

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NEW ISLINGTON FREE SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 as detailed in note 15. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Pensions

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 22, 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 2021. 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.

In the view of the Governors there are no further assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	13,256	-	13,256
Capital Grants	-	7,510	7,510
	<u>13,256</u>	<u>7,510</u>	<u>20,766</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	3,909	-	3,909
Capital Grants	-	7,161	7,161
	<u>3,909</u>	<u>7,161</u>	<u>11,070</u>

4. Funding for the Academy Trust's funding for educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	1,458,143	1,458,143
Other DfE	15,330	15,330
Pupil Premium	75,789	75,789
PE Grant	18,510	18,510
UIFSM	62,244	62,244
Teachers Pay grant	56,348	56,348
	<u>1,686,364</u>	<u>1,686,364</u>
Other Government grants		
Local authority grants	76,098	76,098
	<u>76,098</u>	<u>76,098</u>
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	25,760	25,760
	<u>25,760</u>	<u>25,760</u>
COVID-19 additional funding (non-DfE/ESFA)		
Coronavirus Job Retention Scheme grant	4,729	4,729
	<u>4,729</u>	<u>4,729</u>
	<u>1,792,951</u>	<u>1,792,951</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy Trust's funding for educational operations (continued)

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants		
General Annual Grant (GAG)	1,375,712	1,375,712
Other Dfe Grants	3,240	3,240
Pupil Premium	64,635	64,635
PE Grant	18,250	18,250
UIFSM	67,735	67,735
Teachers Pay grants	52,600	52,600
	<u>1,582,172</u>	<u>1,582,172</u>
Other Government grants		
Local Authority grant	58,769	58,769
	<u>58,769</u>	<u>58,769</u>
Total 2020	<u><u>1,640,941</u></u>	<u><u>1,640,941</u></u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy received £25,760 of funding for catch-up premium and costs incurred in respect of this funding totalled £25,670.

The Academy furloughed some of its wraparound staff under the government's CJRS. The funding received of £4,729 relates to staff costs in respect of 2 staff member which are included within note 10 below as appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Catering income	12,847	12,847
Trip income	1,205	1,205
Wrap-around income	34,290	34,290
Other income	25,710	25,710
	<u>74,052</u>	<u>74,052</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Catering income	9,170	9,170
Trip income	6,795	6,795
Wrap-around income	55,544	55,544
Other income	15,103	15,103
Lettings income	2,115	2,115
	<u>88,727</u>	<u>88,727</u>

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Funding for Educational Operations:				
Direct costs	779,954	-	62,696	842,650
Allocated support costs	705,004	319,134	212,101	1,236,239
	<u>1,484,958</u>	<u>319,134</u>	<u>274,797</u>	<u>2,078,889</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Expenditure (continued)

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Funding for Educational Operations:				
Direct costs	654,156	-	82,914	737,070
Allocated support costs	651,676	291,904	226,435	1,170,015
	<u>1,305,832</u>	<u>291,904</u>	<u>309,349</u>	<u>1,907,085</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Funding for Educational Operations	87,308	1,991,581	2,078,889

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Funding for Educational Operations	92,636	1,814,449	1,907,085

8. Analysis of expenditure by activities

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Funding for Educational Operations	842,650	1,236,239	2,078,889

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Funding for Educational Operations	737,070	1,170,015	1,907,085

Analysis of direct costs

	Funding for Education 2021 £	Total funds 2021 £
Staff costs	779,954	779,954
Educational supplies and services	56,024	56,024
Staff development	6,672	6,672
	<u>842,650</u>	<u>842,650</u>

	<i>Funding for Education 2020 £</i>	<i>Total funds 2020 £</i>
Wages and salaries	654,156	654,156
Educational supplies and services	76,651	76,651
Staff development	6,263	6,263
	<u>737,070</u>	<u>737,070</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Funding for Education 2021 £	Total funds 2021 £
Wages and salaries	703,004	703,004
Other support costs	113,914	113,914
Technology costs	19,342	19,342
Premises costs	153,079	153,079
Professional services	70,204	70,204
Legal costs	10,641	10,641
Depreciation	166,055	166,055
	<u>1,236,239</u>	<u>1,236,239</u>
	Funding for Education 2020 £	Total funds 2020 £
Wages and salaries	651,676	651,676
Other support costs	120,479	120,479
Technology costs	27,425	27,425
Premises costs	136,373	136,373
Professional services	67,668	67,668
Legal costs	10,864	10,864
Depreciation	155,530	155,530
	<u>1,170,015</u>	<u>1,170,015</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	166,055	155,530
Fees paid to auditor for:		
- audit	6,360	6,000
- other services	2,190	825
	<u>174,605</u>	<u>162,355</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,080,217	963,659
Social security costs	98,707	83,869
Pension costs	280,562	234,660
	<u>1,459,486</u>	<u>1,282,188</u>
Agency staff costs	23,472	23,644
	<u>1,482,958</u>	<u>1,305,832</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	46,000	-
	<u>46,000</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff (continued)

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	16	14
Education support	21	21
Administration and clerical support	7	12
	<u>44</u>	<u>47</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension scheme. During the year ended 31 August 2020 pension scheme contributions amounted to £18,470 (2020 £18,421).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Governors 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 £233,214 (2020 - £229,715).

11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021 £	2020 £
Mrs T Smith, Head Teacher	Remuneration	75,000 - 80,000	65,000 - 70,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Governors' remuneration and expenses (continued)

Mrs L Ritchie	Remuneration	30,000 -
		35,000
	Pension contributions paid	5,000 -
		10,000

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

12. Governors' and Officers' insurance

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

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	6,293,906	141,473	204,051	6,639,430
Additions	-	82,750	6,750	89,500
At 31 August 2021	6,293,906	224,223	210,801	6,728,930
Depreciation				
At 1 September 2020	500,823	78,061	181,469	760,353
Charge for the year	125,878	27,032	13,145	166,055
At 31 August 2021	626,701	105,093	194,614	926,408
Net book value				
At 31 August 2021	5,667,205	119,130	16,187	5,802,522
At 31 August 2020	5,793,083	63,412	22,582	5,879,077

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Debtors

	2021	2020
	£	£
Due within one year		
Other debtors	7,251	12,662
Prepayments and accrued income	67,819	41,264
	75,070	53,926

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,123	224
ESFA creditor: abatement of GAG (pupil number adjustment)	-	15,734
Accruals and deferred income	76,605	68,288
	78,728	84,246

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	-	87,308	(87,308)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	251,468	1,458,141	(1,385,718)	(82,750)	-	241,141
Pupil premium	-	75,789	(75,789)	-	-	-
Other grants	48,780	232,501	(237,499)	-	-	43,782
COVID-19 - Catch up premium	-	25,760	(25,760)	-	-	-
COVID-19 - CJRS	-	760	(760)	-	-	-
Pension reserve	(368,000)	-	(100,000)	-	(10,000)	(478,000)
	(67,752)	1,792,951	(1,825,526)	(82,750)	(10,000)	(193,077)
Restricted fixed asset funds						
Restricted fixed asset fund	5,878,706	-	(166,055)	89,871	-	5,802,522
Devolved formula capital	718	7,510	-	(7,121)	-	1,107
	5,879,424	7,510	(166,055)	82,750	-	5,803,629
Total Restricted funds	5,811,672	1,800,461	(1,991,581)	-	(10,000)	5,610,552
Total funds	5,811,672	1,887,769	(2,078,889)	-	(10,000)	5,610,552

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

Restricted general funds are those that have been set by the grant provider in meeting the objects of

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

the Academy and are restricted to both the day to day running of the Academy and capital expenditure.

Restricted fixed asset funds provide for the installation, maintenance and repair of the fixed assets of the Academy.

Unrestricted funds are those which the Board of Governors may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Governors.

The transfer of £82,750 from Restricted General funds to Restricted Fixed Asset funds relates to assets purchased in the year funded from restricted funds and non-capital assets purchased in the year funded from the Devolved Capital Grant.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General funds	-	92,635	(92,635)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	203,732	1,375,711	(1,317,690)	(10,285)	-	251,468
Pupil Premium	-	64,635	(64,635)	-	-	-
Other grants	48,780	200,594	(200,594)	-	-	48,780
Pension reserve	(185,000)	-	(76,000)	-	(107,000)	(368,000)
	<u>67,512</u>	<u>1,640,940</u>	<u>(1,658,919)</u>	<u>(10,285)</u>	<u>(107,000)</u>	<u>(67,752)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	6,017,161	-	(148,740)	10,285	-	5,878,706
Devolved Capital Funding	347	7,161	(6,790)	-	-	718
	<u>6,017,508</u>	<u>7,161</u>	<u>(155,530)</u>	<u>10,285</u>	<u>-</u>	<u>5,879,424</u>
Total Restricted funds	<u>6,085,020</u>	<u>1,648,101</u>	<u>(1,814,449)</u>	<u>-</u>	<u>(107,000)</u>	<u>5,811,672</u>
Total funds	<u><u>6,085,020</u></u>	<u><u>1,740,736</u></u>	<u><u>(1,907,084)</u></u>	<u><u>-</u></u>	<u><u>(107,000)</u></u>	<u><u>5,811,672</u></u>

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	5,802,522	5,802,522
Current assets	363,651	1,107	364,758
Creditors due within one year	(78,728)	-	(78,728)
Provisions for liabilities and charges	(478,000)	-	(478,000)
Total	(193,077)	5,803,629	5,610,552

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	5,879,077	5,879,077
Current assets	384,494	347	384,841
Creditors due within one year	(84,246)	-	(84,246)
Provisions for liabilities and charges	(368,000)	-	(368,000)
Total	(67,752)	5,879,424	5,811,672

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18. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(191,120)	(166,347)
Adjustments for:		
Depreciation	166,055	155,530
Capital grants from DfE and other capital income	(7,510)	(7,161)
Defined benefit pension scheme cost less contributions payable	93,000	72,000
Defined benefit pension scheme finance cost	7,000	4,000
Increase/(Decrease) in debtors	(21,144)	22,027
Decrease in creditors	(5,518)	(23,272)
Net cash provided by operating activities	40,763	56,777

19. Cash flows from investing activities

	2021 £	2020 £
Purchase of intangible assets	(89,500)	-
Purchase of tangible fixed assets	-	(17,446)
Capital grants from DfE Group	7,510	7,161
Net cash used in investing activities	(81,990)	(10,285)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	289,688	330,915
Total cash and cash equivalents	289,688	330,915

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21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	330,915	(41,227)	289,688
	<u>330,915</u>	<u>(41,227)</u>	<u>289,688</u>

22. Pension commitments

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 Manchester City Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

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22. Pension commitments (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% administration levy)
- 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 Superannuation Contributions Adjusted for Past Experience (SCAPE) rate, set by HM Treasury, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 TPS in the year amounted to £127,458 (2020 - £105,051).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 contribution made for the year ended 31 August 2021 was £81,000 (2020 - £80,000), of which employer's contributions totalled £60,000 (2020 - £58,000) and employees' contributions totalled £ 20,000 (2020 - £22,000). The agreed contribution rates for future years are 18.3% per cent for employers and 5.5% - 12.5% per cent 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.

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22. Pension commitments (continued)

Principal actuarial assumptions

Greater Manchester Pension Fund

	2021	2020
	%	%
Rate of increase in salaries	3.5	3
Rate of increase for pensions in payment/inflation	2.7	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	19.8	20.5
Females	21	23.1
<i>Retiring in 20 years</i>		
Males	22.7	22
Females	24.6	25

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1%	31,000	25,000
Mortality assumption - 1 year increase	41,000	-
CPI rate +0.1%	31,000	24,000

Share of scheme assets

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

	2021	2020
	£	£
Equities	396,890	269,280
Debt instruments	83,850	63,360
Property	39,130	27,720
Cash and other liquid assets	39,130	35,640
Total market value of assets	559,000	396,000

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22. Pension commitments (continued)

The actual return on scheme assets was £7,000 (2020 - £6,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(153,000)	(130,000)
Interest income	7,000	6,000
Interest cost	(14,000)	(10,000)
Total amount recognised in the Statement of Financial Activities	(160,000)	(134,000)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	764,000	453,000
Current service cost	153,000	130,000
Interest cost	14,000	10,000
Employee contributions	20,000	22,000
Actuarial losses	89,000	150,000
Benefits paid	(3,000)	(1,000)
At 31 August	1,037,000	764,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	396,000	268,000
Interest income	7,000	6,000
Actuarial gains	79,000	43,000
Employer contributions	60,000	58,000
Employee contributions	20,000	22,000
Benefits paid	(3,000)	(1,000)
At 31 August	559,000	396,000

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23. 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.

24. Related party transactions

Two of the Academy's Governors acted as Governors for the Manchester Grammar School, which is the sponsor of New Islington Free School.

Owing to the nature of the Academy Trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial 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.