Company Limited by Guarantee
Registration number: 08142572 (England and Wales)

NEWBURY ACADEMY TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

NEWBURY ACADEMY TRUST

CONTENTS TO THE FINANCIAL STATEMENTS

NEWBURY ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2018

Company Registration Number	08142572	
Members	Mrs S Loy	
	Mr N Cornish	
	Mr P G Dick	
	Mrs L Ellis	
Trustees/Directors	Mrs S Loy (Chair)	
	Mrs N Bealing	Appointed April 2018
	Miss S Brown	
	Mrs A Creed	
	Mrs L Lewis	
	Mr J Rigby	Resigned March 2018
	Mrs C Wilson	
Local Governing Body - Trinity	Mrs S Loy (Chair)	
	Mrs S Carvalho	Appointed March 2018
	Mr E Collett	Resigned June 2018
	Mrs A Creed	
	Ms Z Golding	
	Mr F Hayton	
	Mrs P Hoskins	
	Mrs L Lewis	
	Mrs C Wilson	
Local Governing Body – Primary	Miss S Brown (Chair)	
	Mrs K Adams	
	Mrs N Berçot	Appointed July 2018
	Ms L Mayes	Resigned March 2018
	Dr A Mitchell	
	Mrs D Munro	Appointed December 2017
	Mr A Osmond	
	Mrs J Sheridan	
	Mrs C Wilson	
Finance, Staffing and Premises Committee	Mr F Hayton (Chair)	
	Mrs N Bealing	Appointed April 2018
	Mrs L Lewis	
	Mrs C Wilson	
Pastoral Committee	Mrs S Loy (Chair)	
	Miss S Brown	
	Mrs S Carvalho	
	Mrs S Coneley	Appointed July 2018
	Dr A Mitchell	
	Mrs C Wilson	
Senior Leadership Team	Mrs C Wilson - Executive Headteacher	
	Mr N Awbery - Deputy Headteacher (Trinity)	
	Mr J Bastable - Assistant Headteacher (Trinity)	
	Mr B Hanlon - Deputy Headteacher (Trinity)	
	Mrs C Hayter – Assistant Headteacher (Fir Tree)	
	Mrs E Parish - Associate Headteacher (Speenhamland)	
	Mrs F Pearless - Assistant Headteacher (Trinity)	
	Mrs N Purcell - Associate Headteacher (Fir Tree)	
	Mrs Osmond - Deputy Headteacher (Speenhamland)	
	Mr D Stillman - Deputy Headteacher (Trinity)	
	Mr R Watkins - Assistant Headteacher (Trinity)	

Registered Office	Newbury Academy Trust Trinity School Love Lane Shaw Newbury Berkshire RG14 2DU
Auditors	Crowe U.K. LLP Aquis House 49-51 Blagrave Street Reading Berkshire
Bankers	HSBC Bank Plc 6 Northbrook Street Newbury RG14 1 DJ

The members of the Newbury Academy Trust Governing Body present their Annual Report for the year ended 31 August 2018 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

The financial statements have been prepared in accordance with the accounting policies on pages 32-36 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction (May 2013).

Newbury Academy Trust is an academy for pupils aged 4 to 18 serving a catchment area in north and central Newbury as well as the outlying rural areas to the North of Newbury.

Structure, Governance and Management

Constitution

Newbury Academy Trust (NAT) is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 13th July 2012 and NAT converted to an Academy on 1st August 2012.

There are six trustees who act as Directors of the Charitable Company for the purposes of Company law. The Charitable Company is incorporated as Newbury Academy Trust.

Details of the trustees/directors who served Newbury Academy Trust throughout 2017/18 are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees ('Directors') Indemnities

As disclosed in note 11, professional indemnity insurance is paid on behalf of the directors of the Academy.

Method of Recruitment and Appointment or Election of Trustees/ Directors

The Academy's Board of Trustees is subject to retirement by rotation. Trustees are eligible for re-election at the meeting at which they retire. The trustees to retire are those who have served the longest in office since their appointment or re-election. New trustees are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any director is 4 years, although this time limit does not apply to the Headteacher.

The Board of trustees who were in office on 31 August 2018 and served since 1st September 2017, the period of these accounts, are listed on Page 1.

Policies and Procedures Adopted for the Induction and Training of Governors

The Trust is a member of the National Governors Association, receiving up to date information and guidance. It subscribes to the NGA's online governor training platform, The Key and buys into West Berkshire Council Governor Support services as and when required. Additional training from other providers is also accessed as required based on individual or collective need. External advice and support is commissioned where necessary.

Principal Activities

Newbury Academy Trust is a Trust incorporating three schools: Trinity School, a Convertor Academy, Fir Tree School, a sponsored Academy and Speenhamland School, a convertor Academy. We are committed to improving the life chances of everyone in our community, preparing them for adult life and demanding that they be the very best they can be.

The object of Newbury Academy Trust is set out in the Company's Articles of Association, namely "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and carrying on, managing and developing a school offering a broad and balanced curriculum".

Objects and Aims of the Trust

As described, the object of Newbury Academy Trust is set out in the Company's Articles of Association.

Each Governing Body continues to set each Schools' strategic aims through the School Development Plans. These aims are monitored closely by the Directors/Trustees Board by way of Executive Headteacher and Senior Leadership Team Reports and through the work of the Local Governing Bodies.

The aims and objectives for the Trust are derived from the Trust's motto which is 'Inspiring Futures, Realising Ambitions'

Organisational Structure

The structure of the Trust consists of four senior levels; the Members, The Board of Directors/Trustees, Local Governing Bodies, the Executive Headteacher and Associate Headteachers at Trinity, Fir Tree and Speenhamland Schools and the wider Senior Leadership Teams in each school. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in the decision making process at all levels.

The setting and monitoring of budgets is undertaken by a Trust Finance, Staffing and Premises Committee.

The Executive Headteacher and Senior Leadership Teams control the Schools at an executive level, implementing the policies set by the NAT and the Governing Bodies and reporting back to them.

The Trust has a Scheme of Delegation listing the responsibilities delegated to each tier of governance.
Each Local Governing Body has its own detailed terms of reference setting out the responsibilities discharged to it, to the Executive Headteacher (The Accounting Officer) and to the Senior Management Teams. The terms of reference and meeting frequency is reviewed and approved by the Board of Directors/Trustees annually.

Organisation Structure (continued)

Groups of directors or governors may be formally organised outside of the sub-committee structure to support the School as required, to consider:

Headteacher recruitment.
Performance management of the Executive Headteacher and Associate Headteachers
Pupil Discipline
Staff Discipline
Complaints

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as, the school group size, Internal Schools Review, the pay scales for each role e.g. Headteacher, Deputy Headteacher, and the level of experience of the staff member. In addition to this, levels of pay may be affected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post, which all coincides with the schools' appointment and pay policies. All amendments to key management personnel's pay and remuneration is discussed and agreed by the Board of Directors/Trustees.

Risk Management

The Board of Directors/Trustees has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Directors/Trustees have implemented a number of systems to assess and reduce risks that the academies face, especially in operational areas in relation to teaching, health and safety (including school trips and the school's minibus), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, safeguarding and child protection, supervision of students and pupils around the school sites and internal financial controls to minimise financial risk. Adequate insurance is in place where significant financial risk remains.

The main risks facing the NAT at present as outlined in the September update of our Risk Register are as follows:

- A reduction in High Needs Funding for the Specialist Local Authority Units located in our schools – Trinity (1), Fir Tree (1), Speenhamland (1). The Trust continues to work with the Local Authority to address these funding issues.
- Staff costs as a percentage of total fund exceeded 80% of total fund, staffing costs are rising due to recruitment and retention issues especially in core areas.

Fundraising

The Trust Schools are not involved with large fundraising projects. There are some fundraising events run by the schools which raise a small amount of money from commission e.g. school photographs, Christmas CDs and Christmas Cards.

STRATEGIC REPORT

Mission Statement
We are very proud of all we achieve in the Newbury Academy Trust. Our mission is to provide excellent education for all and dramatically improve the lives of our children and young people by providing high-quality education and experiences.

Principles

To achieve our mission we expect our children and young people to:

- have high expectations in all they do
- respond positively to challenges
- develop a love of learning that remains a lifelong legacy
- take increasing responsibility for their own learning
- show respect for each other and their environment.

In support of this quest for excellence the Newbury Academy Trust:

- provides the highest standards of teaching and learning
- expects high performance and have high aspirations for all
- provides personalised support for children and young people where it is needed
- provides outstanding facilities and the best environment for learning
- works in partnership across the Trust
- combats disadvantage through effective use of pupil premium funding
- works with parents and carers to engage them in their children's education

The ethos of the Newbury Academy Trust

The Newbury Academy Trust (NAT) provides high-quality learning in a safe, caring and purposeful environment that supports children and young peoples' personal and academic development. We value the diversity that exists within our Trust. We recognise the worth of each individual, helping them to develop a positive self-image and a 'can-do' attitude.

We equip our children and young people with the skills and knowledge that will enable them to achieve success throughout their education. We prepare our children and young people for roles as tomorrow's leaders. We inspire them to reach for their dreams, act responsibly on their beliefs and be ready for future success.

Strategies to Achieve the Primary Objectives

There is an overarching Trust Development plan and each school has a School Development Plan (SDP) that is a result of staff, student/pupil and parent review.

All schools have the same framework with three main strands which are as follows:

Excellent Achievement and Outcomes for all

GOALS

- All students and pupils make positive progress in line with each school's targets set using FFT and taking into account national benchmarks and standards.
- Progress of PP students and pupils is at least in line with their non PP counterparts
- SEND students and pupils continue to make excellent progress at least in line with none SEND students and pupils
- Attendance for each school is at least 96%

High Performing Students

High Performing Staff

Each school set their own individual goals under each of the three headings as outlined in the three SDPs.

Achievements and Performance

Newbury Academy Trust was legally formed on midnight of the 13th July 2012. The following provides a summary of each school's performance in the Summer 2018 examination season and highlights the academic achievements as well as an overview of wider success.

Trinity School

The School was rated as Good by Ofsted in July 2018.

There were 913 students on roll, (including 111 in the sixth form), on 31st August 2018. The roll is increasing as Trinity is becoming the school of choice for families in the catchment.

The school holds an Investor in Careers Award, Anti Bullying Accreditation and is an Arts Mark Platinum School. It is also currently working towards attaining the Unicef Rights Respecting Award. Trinity is the lead school in the Newbury Academy Schools Direct Partnership working with Reading University.

The school works with a core group of feeder primary schools as part of the Excel group to enhance provision and provide a range of opportunities for all young people in the community including Music, Dance, Drama and PE provision.

The school partakes in a wide range of external events and enjoys success particularly in the areas of Public Speaking, Enterprise and Performing Arts.

Exam Results this year remained largely similar to last year. At GCSE overall attainment and progress were broadly in line with 2016-17. Our PP gaps are closing for progress and attainment.

At A Level the results show an upward trajectory over a 3 year period and continue to be a strength.

GCSE Results

Measure	2016 Actual	2017 Actual	2018 Actual
English and Maths A*-C% (4-9)	51	50	51
5+English and Maths A*-C% (5-9)	48	45	26
Progress 8 Figure (all)	+0.13	-0.34	-0.13
Attainment 8 Figure (all)	C-	D	C
Non-PP/PP Progress 8	GAP = -0.32	Gap = -0.24	Gap = -0.47
Non-PP/PP Attainment 8	GAP = 1.3	Gap = 0.94	Gap = 5.29
Non-PP/PP EM A*-C%	58%, 25% GAP = 33%	55%, 24% Gap = 31%	60%,30% Gap = 30%

A Level Results

	2013/14	2014/15	2015/16	2016/17	2017/18
Overall Pass Rate - (A*-A)%	34.7	25.6	33.5%	29.0%	25.3%
Overall Pass Rate - (A*-B)%	52	43.8	64.6%	54.0%	57.0%
Overall Pass Rate - (A*-C)%	75.3	68.8	88.2%	83.0%	78.0%
Overall Pass Rate - (A*-E)%	100	96.9	99.3%	99.3%	98.54%

The school achieved an ALPS grade of 4 for progress.

Fir Tree School

The school was rated as Require Improvement in October 2018 following a period of turbulent staffing and inconsistent results.

There were 229 students on roll (31st August 2018). There were also 28 children in nursery

The school works closely with Trinity and Speenhamland to enhance provision and provide a range of opportunities for the children including music, dance, drama, MFL and PE provision. It achieved Anti Bullying accreditation in the Summer 2018. Pupils participate in a wide range of extra curricular activities including local and regional sporting events and arts projects e.g. Choir performances at the Anvil in Basingstoke. The pupils also participate in the Junior Arts Award.

Good use is made of Trust links to provide staff continuing Professional Development (CPD) opportunities e.g. moderation, placements, sharing best practice.

The school opened a 12 place Autistic Spectrum Unit in 17-18 and currently has 5 pupils who are placed in consultation with the Local Authority and who have an Education and Health Care Plan (EHCP).

Key Performance Indicators

Fir Tree Key Stage 2 - Year 6

Attainment

	Reading	Writing	Maths	Combined
2016	70%	75%	55%	55%
2017	74%	72 %	53%	47%
2018	57%	62%	24%	19%

Progress	Reading	Writing (TA)	Maths
LA 2018	0.0	-0.1	-0.5
Nat 2018	0.0	0.0	0.0
2017	-0.59	-3.46	-5.14
2018	-5.6	-2.6	-7.8

EYFS

Year	GLD
2016	77%
2017	73% (Nat 69%)
2018	76.7% (Nat 71.5%)

Speenhamland School

As a convertor Academy Speenhamland school is awaiting an Ofsted, its last Ofsted was graded 3.

There were 291 students on roll (31st August 2017). The roll is increasing as Speenhamland's reputation grows and its popularity increases again.

The school works closely with Trinity and Fir Tree to enhance provision and provide a range of opportunities for the children including music, dance, drama, MFL and PE provision.

Pupils participate in a wide range of extra curricular activities including local and regional sporting events and arts projects e.g. Choir performances at the Royal Albert Hall. The pupils also participate in the Junior Arts Award. They have also begun steel drum workshops and have been involved with various projects run by the Corn Exchange and the Watermill in Newbury.

Speenhamland – KS2 Data Analysis
Attainment

	Reading	Writing	Maths	Combined
2016	69%	66%	66%	52%
2017	64 %	69%	67%	64%
2018	69%	69%	67%	61%

Progress

	Reading	Writing (TA)	Maths
LA 2018	0.0	-0.1	-0.5
Nat 2018	0.0	0.0	0.0
2017	-1.32	-3.8	-2.18
2018	0.7	1.0	0.8

EYFS

Year	GLD
2016	**52%**
2017	**70%** **(Nat 69%)**
2018	67.4% (Nat 71.5%)

Public Benefit

In setting objectives and planning the Trust's activities, the Board of Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to pay due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

Going Concern

After consideration of the Trust's financial position and its financial plans, the Board of Trustees have a reasonable expectation that the Trust has and will continue to have adequate resources to enable it to be a sustainable going concern in 2018/19 and for the foreseeable future. For this reason the Trust continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

Financial Review

Newbury Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2017/18:

Restricted General Fund

The majority of the Trust's income was received through Education Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants and the associated revenue expenditure made against them are detailed in the SOFA. General Restricted Fund income for the period was £7,987,494 *(2017: £7,531,907)*; expenditure against the fund was £8,486,945 *(2017: £8,321,618)*, resulting in a deficit of £499,451 *(2017: deficit £789,711)* before transfers to the Restricted Fixed Fund and accounting for the pension deficit.

Unrestricted Funds

Income received into the Unrestricted Fund was £260,300 *(2017: £348,164)*. This was attributable to lettings income and fundraising. Expenditure against the fund was £84,050 *(2017: £63,464)* for the period resulting in surplus of £176,250 *(2017: £284,700)*.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

Income received into the fund Academies Capital Maintenance Funding and Formula Capital Funding of £270,810*(2017: £2,981,510)*.

The SOFA details a £274,855 *(2017: £2,740,670)* Restricted Fixed Asset Fund period end deficit after transfers between funds. This is detailed in note 16 to the accounts.

Summary of Financial Performance

Fund balances as at 31 August 2018 totalled £13,106,683 *(2017:* £13,155,698*)*. This is comprised of £911,208 *(2017: £734,958)* of Unrestricted Funds, deficit of £2,088,890 *(2017: deficit £2,138,480)* in Restricted General Funds, after accounting for a gain on the pension of £558,000 *(2017: £269,000)* and £14,284,365 *(2017: £14,559,220)* of Restricted Fixed Asset.

Balance Sheet

The Trust's assets were predominantly used for providing education to school students. Some assets were let to the local community, predominately for sports activities and a holiday activity club.

The net book value of the Trust's tangible fixed assets was £14,171,806 *(2017: £14,444,575)* as at 31 August 2018. The movement in this account is detailed in note 12. Cash in hand at 31 August 2018 was £1,586,429 *(2017: £1,441,157)*. The Reserves and Investment Policies are detailed below.

Reserves Policy

The Board of Directors reviews the Trust's Reserve Policy annually. The Board of Directors have determined that the appropriate level of free reserves should be a minimum of 2.5% of total funding. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the ESFA. The Trust's free reserves as at 31st August 2018 were £911,208 *(2017: £734,958)*. These free reserves represent 10.7% of total incoming resources in the year. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

The level of funds held on 31st August 2018:

Unrestricted		911,208
Restricted:	Fixed asset funds	14,284,365
	General funds	(2,088,890)
		13,106,683

Defined Benefit Pension Scheme

The valuation of the defined benefit pension scheme is a liability of £2,318,000 *(2017: £2,464,000)* on the balance sheet, this is offset by the Trust's reserves.

In respect of any surplus or deficit recognised in relation to the Trust's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employer's pension contributions over a number of years. This period a deficit of £2,318,000*(2017: £2,464,000)* has been recognised as a liability in the accounts; this does not present an immediately repayable debt.

Funds held as Custodian Trustee on behalf of others

Neither Newbury Academy Trust nor the Board of Directors/Trustees are acting as third party custodial trustees.

Investment Policy

The Trust does not have any investments.

Plans for Future Periods

Newbury Academy Trust strives to continually provide quality lifelong education for all its learners, preparing them for their next steps at every stage. Ultimately preparing them to be well rounded people with the skills to be the very best they can be in whatever they choose to do.

We will continually review our working practices to ensure our learners receive the best opportunities by providing a balanced curriculum with opportunities for enrichment and challenge. We will provide high quality teaching to enable all to learn and make progress from whatever their starting points.

Our plans to continually develop will see the Trust looking at areas of curriculum design with a particular focus on Innovation and Technology.

Principal Risks and Uncertainties

The Board of Directors have considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Directors have implemented a number of systems to assess and reduce risks that the School faces, especially in operational areas in relation to teaching, health and safety, (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains. The School has an effective system of internal financial control as explained in the Statement on Internal Control.

Financial and Risk Management Objectives and Policies

The objective of the Trust's Risk Management procedure is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Directors have a comprehensive risk management process to identify and monitor the risks faced by the Trust.

The financial risks considered include: economic /financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/statutory requirements.

Auditor

In so far as the directors are aware:

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

The auditors, Crowe U.K. LLP, who were appointed during the period, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Report of the Governors has been prepared under the Charities Act 2011 and the Companies Act 2006, and was approved by the Directors of Newbury Academy Trust on the date below, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:

S. M. Loy
....
Mrs S Loy
Chair of Directors

....
Mrs C Wilson
Accounting Officer

12 December 2018

Scope of Responsibility

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

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

Governance

The Board of Directors reviews the terms of reference, constitution, membership and meeting frequency of its committees annually.

During the period covered by these accounts the Trust proposed an amendment to their governance structure of an additional committee to focus on pastoral matters and welfare across the Trust. With a successful trial meeting held in June 2018, it was agreed the new structure would be effective from September 2018, with the Pastoral Committee having a direct reporting line to the Board. By extracting this from the LGBs, this will also allow more effective interrogation and challenge of standards and effectiveness at the Trinity and Primary LGB meetings.

Following the autumn and spring terms, it was recognised that increased monitoring and challenge would be required by governors through the summer term. As a result, extra-ordinary meetings were held in April 2018 for the LGBs and Finance, Staffing and Premises Committee, taking the total number of meetings for the year to 23, as follows:

- Members (three meetings)
- Trustees (five meetings
- Primary LGB (five meetings)
- Trinity LGB (five meetings
- Finance, Staffing and Premises Committee (four meetings)
- Pastoral Committee (one meeting)

Attendance at meetings during the period covered by these accounts was as follows:

Trustees Meetings (Full Governing Board)

Trustee	**Meetings attended**	**Out of a possible**
Mrs S Loy (Chair)	4	4
Mrs N Bealing *appointed April 2018*	2	3
Miss S Brown	3	4
Mrs A Creed	3	4
Mrs L Lewis	3	4
Mr J Rigby *resigned March 2018*	0	1
Mrs C Wilson	4	4

Trinity Local Governing Body Meetings

Local Governor	**Meetings attended**	**Out of a possible**
Mrs S Loy (Chair)	5	5
Mrs S Carvalho	2	2
Mr E Collett *resigned June 2018*	2	5
Mrs A Creed	3	5
Mr F Hayton	4	5
Mrs P Hoskins	5	5
Mrs Z Golding	2	5
Mrs L Lewis	4	5
Mrs C Wilson (EHT)	5	5

Primary Local Governing Body Meetings

Local Governor	**Meetings attended**	**Out of a possible**
Miss S Brown (Chair)	4	5
Mrs K Adams	3	5
Mrs N Berçot *appointed July 2018*	1	1
Mrs L Mayes *resigned March 2018*	2	3
Dr A Mitchell	3	5
Mrs D Munro *appointed Dec 2017*	3	4
Mr A Osmond	4	5
Mrs J Sheridan	4	5
Mrs C Wilson (EHT)	5	5

Finance, Staffing and Premises Committee Meetings

Governor	**Meetings attended**	**Out of a possible**
Mr F Hayton	5	5
Mrs N Bealing *appointed April 2018*	0	2
Mrs L Lewis	5	51
Mrs L Mayes *resigned March 2018*	1	32
Mr J Rigby *resigned March 2018*	2	3
Mrs C Wilson (EHT)	5	5

Pastoral Committee Meeting

Local Governor	**Meetings attended**	**Out of a possible**
Mrs S Loy (Chair)	1	1
Miss S Brown	0	1
Mrs S Coneley *appointed July 2018*	1	1
Mrs P Hoskins	1	1
Dr A Mitchell	1	1
Mrs C Wilson (EHT)	1	1

Representative Trustees, Local Governors and Committee Members met in May 2018 to undertake a governance review against the NGA's 20 key questions. Members of the senior leadership teams across the Trust also contributed to the review. Key actions for the forthcoming year include:

- Complete skills audit, and continue to actively seek individuals with the relevant skills to fill current vacancies, in particular finance, HR and compliance.
- Increase and encourage training opportunities for existing governors (particularly finance and further challenge training).
- Continue to invite staff members to present action plans to governors to address any issues in progress and achievement, allowing governors to hold senior staff to account.
- Push for reports to be ready and issued to governors in sufficient time ahead of all meetings.
- Increase engagement with the school community and wider school sector.

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Attainment and achievement although not as strong as in previous years across all schools progress measures put the schools in the average bands for adding value to learners education form their starting points.

2. In all schools the rolls have continued to grow across the academic year. This is down to positive marketing and the growing reputations of all three schools.

These good outcomes have been achieved by:

- Continual review of the curriculum in our schools to ensure it matches the needs of our learners.
- The staffing structure is regularly reviewed to ensure staff are efficiently deployed and are appropriately qualified.
- Where relevant, staff expertise is shared between the schools to moderate work and support learning. Staff are held to account through a robust performance management structure ensuring progression through pay scales is subject to review and scrutiny. Analysis will show such progression is not automatic.
- Constant monitoring of performance is undertaken through a programme of senior team lesson observations and reviews in all schools. Staff are supported and coached to secure outstanding teaching and learning outcomes where necessary and best practice is shared throughout the Trust.
- Tracking systems ensure each learner is tracked at key points throughout the year to ensure all learners are making at least expected progress. Intervention programmes are deployed as and when necessary using a toolkit of interventions which include holiday and after school boosters, targeted one to one, withdrawal from lessons, outside agency support and mentoring.
- Pupil Premium spending is monitored and evaluated to avoid spending funding on activities that have little impact on achievement. Funding is spent in ways known to be most effective for learners to maximise attainment in school and reach their potential.

In all schools, refurbishment and building projects are delivered within budget to ensure the learning environment is constantly updated to ensure we provide the very best for our learners. In this Academic Year these projects include the addition of an ASD Unit at Fir Tree, the extension of the EYFS area at Speenhamland to accommodate more pupils and minor refurbishment to the environment and IT infrastructure and hardware in all three schools.

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 Newbury Academy Trust for the period ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Directors' Board 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 Directors' Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors' Board.

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 Directors' Board
- regular reviews by the Finance 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 Trustees Board has considered the need for a specific internal audit function and has decided in conjunction with ESFA recommendation to appoint a separate audit company. The Trustees appointed Whitley Stimpson Ltd to review internal control. The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, checks carried out in the current period included: Review Finance Manual, ESFA Income, Other Income, Procurement, Payroll, Bank reconciliation and Financial Reporting

The reviewer reports to the Executive Head and finance committee on the operation of the systems of control and on the discharge of the Directors' Board financial responsibilities. During the period, no material control issues have been identified requiring remedial action.

Review of Effectiveness

As Accounting Officer, the Executive 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 Academies Financial Handbook;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Finance Manager within the academy trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committees and the Responsible Officer and is pleased to report that no weaknesses have been identified. A programme of further review will however ensure continuous development of the system is in place.

Approved by order of the members of the Directors' Board on 12 December 2018 and signed on its behalf by:

....
Mrs S Loy
Chair of Directors

....
Mrs C Wilson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETRY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of Newbury Academy Trust I have considered my responsibility to notify the Academy Trust Directors' Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

....

Mrs C Wilson
Accounting Officer

12 December 2018

NEWBURY ACADEMY TRUST
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (some of whom who are also directors of Newbury Academy Trust for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Directors' Board on 12 December 2018 and signed on its behalf by:

S.H.Loy

....

Mrs S Loy
Chair of Directors

Crowe

Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
Aquis House
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEWBURY ACADEMY TRUST

Opinion

We have audited the financial statements of Newbury Academy Trust for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2015 and the Academies Accounts Direction 2017 to 2018 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 company's affairs as at 31 August 2018 and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Crowe

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEWBURY ACADEMY TRUST

Other information

The Trustees' are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Crowe

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEWBURY ACADEMY TRUST

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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 Trustees 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 Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

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.

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 auditor's report.

Use of our report

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

Alastair Lyon

Alastair Lyon (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrave Street
Reading
Berkshire
RG1 1PL

Date: 12 December 2018

Crowe

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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF NEWBURY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 October 2015 and further to the requirements of the Education Funding Agency (ESFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Newbury Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Newbury Academy Trust's funding agreement with the Secretary of State of Education and the Academies Financial Handbook, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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 to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

Crowe

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF NEWBURY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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

Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrave Street
Reading
Berkshire
RG1 1PL

Date: 12 December 2018

NEWBURY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCORORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Un-restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	2018 Total £	*2017 Total £*
Income and endowments from:						
Donations and capital grants	**3**	-	10,051	270,810	**280,861**	*152,057*
Transfer from conversion	**3**	-	-	-	-	*2,829,453*
Charitable activities:						
Funding for the Academy's educational operations	**4**		7,977,443	-	**7,977,443**	*7,531,907*
Other trading activities	**5**	259,774	-	-	**259,774**	*348,164*
Investments	**6**	526	-	-	**526**	*-*
Total		260,300	7,987,494	270,810	**8,518,604**	*10,861,581*
Expenditure on:						
Raising funds		84,050	5,457	-	**89,507**	*63,464*
Charitable activities:						
Academy's educational operations	**8**	-	8,481,488	554,624	**9,036,112**	*8,691,375*
Total	**7**	84,050	8,486,945	554,624	**9,125,619**	*8,754,839*
Net income/(expenditure)		176,250	(499,451)	(283,814)	**(607,015)**	*2,106,742*
Gross transfers between funds	**16**	-	(8,959)	8,959	-	*-*
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	**26**	-	558,000	-	**558,000**	*269,000*
Net movement in funds		176,250	49,590	(274,855)	**(49,015)**	*2,375,742*
Funds brought forward at 1 September 2017		734,958	(2,138,480)	14,559,220	**13,155,698**	*10,779,956*
Funds carried forward at 31 August 2018		**911,208**	**(2,088,890)**	**14,284,365**	**13,106,683**	*13,155,956*

All the Academy's activities are derived from acquisitions and continuing operations in the current financial period.

The notes on pages 30 – 51 form part of these financial statements

COMPANY NUMBER: 08142572

NEWBURY ACADEMY TRUST

BALANCE SHEET

31 AUGUST 2018

	Note	2018 £	*2017 £*
Fixed assets			
Tangible assets	12	**14,171,806**	*14,444,575*
Current assets			
Debtors	13	**196,009**	*153,482*
Cash at bank and in hand		**1,586,429**	*1,441,157*
		1,782,438	*1,594,639*
Current liabilities			
CREDITORS: amounts falling due within one year	14	**(529,561)**	*(419,516)*
Net current assets		**1,252,877**	*1,175,123*
Total assets less current liabilities		**15,424,683**	*15,619,698*
Net assets excluding pension liability			
Pension scheme liability	26	**(2,318,000)**	*(2,464,000)*
Net assets including pension liability		**13,106,683**	*13,155,698*
Restricted funds			
General fund		**161,889**	*268,385*
Pension deficit		**(2,318,000)**	*(2,464,000)*
Fixed asset fund		**14,284,365**	*14,559,220*
Restricted other		**67,221**	*57,135*
Total restricted funds	16	**12,195,475**	*12,420,740*
Unrestricted funds			
General funds	16	**911,208**	*734,958*
Total funds		**13,106,683**	*13,155,698*

The financial statements were approved by the Directors and authorised for issue on 12 December 2018 and are signed on their behalf by

S. M. Loy

....

Mrs S Loy
Chair of Directors

The notes on pages 30 – 51 form part of these financial statements

NEWBURY ACADEMY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	*2017* *£*
Cash Flows from operating activities	**21**	**(117,105)**	*2,918,401*
Cash Flows From investing activities	**22**	**262,377**	*(2,741,405)*
Change in cash and cash equivalents in the year		**145,272**	*176,996*
Cash and cash equivalents at the beginning of the year		**1,441,157**	*1,264,161*
Total cash and cash equivalents at the end of the year	**23**	**£ 1,586,429**	*£ 1,441,157*

All the Academy's cash flows are derived from acquisitions and continuing operations in the current financial period.

The notes on pages 30 – 51 form part of these financial statements

1. CHARITY INFORMATION

The principal activity of the Newbury Academy Trust is to provide secondary education for pupils aged 4 to 18. The Trust is an exempt charity and a company limited by guarantee (company number: 08142572). It is incorporated and domiciled in the UK. The address of the registered office is Newbury Academy Trust, Trinity School, Love Lane, Shaw, Newbury, Berkshire, RG14 2DU.

2. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Newbury Academy Trust meets the definition of a public benefit entity under FRS 102

b) Going Concern

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 company to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

c) 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 Receivable

Grants receivable 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.

General Annual Grant

General Annual Grant is recognised in full in the year for which it is relievable and any unspent amount is reflected as a balance in the restricted general fund.

Capital Grants

Capital grants are recognised when relievable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the Balance Sheet in the restricted fixed asset fund.

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable.

Donations

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

2. ACCOUNTING POLICIES (continued)

c) Income (continued)

Other income
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

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

Donated Services and Gifts in Kind
The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

In respect of buildings transferred to the Academy from its previous form as a Maintained School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years.

Transfer on conversion
Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

d) 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.

Costs of Generating Funds
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable Activities
These are costs incurred on the Academy Trust's educational operations.

All resources expended are inclusive of irrecoverable VAT.

2. ACCOUNTING POLICIES (continued)

e) Tangible Fixed Assets

Assets costing £1,000 or more, which have been acquired since the Academy was established, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Freehold Land and Buildings that were acquired when the Academy was established are now valued at depreciated replacement cost. The governors are not expecting to revalue the property in the future.

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 the expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Leasehold land and buildings	2 - 2.5%
Fixtures and fittings	20%
Motor Vehicles	20%
Plant and machinery	20%
Computer equipment	33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

f) 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.

g) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in trading profit.

h) Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. **ACCOUNTING POLICIES (continued)**

i) **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

j) **Pensions Benefits**

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

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.

k) **Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

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

l) **Fund Accounting**

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

Restricted funds comprise grants from the ESFA and other donors which are to be used for specific purposes.

2. ACCOUNTING POLICIES (continued)

m) Critical Areas of Judgement

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

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Other than the LGPS noted above, the Governors consider that there are no other material judgements in applying accounting policies or key sources of estimation uncertainty.

3. DONATIONS AND CAPITAL GRANTS

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total £	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total £
Capital grants	-	270,810	270,810	-	152,057	152,057
Assets transferred on conversion	-	-	-	-	2,829,453	2,829,453
Donations	-	10,051	10,051	-	-	-
	-	280,861	280,861	-	2,981,510	2,981,510

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
DfE / ESFA revenue grants						
General Annual Grant (GAG)	-	5,657,685	5,657,685	-	5,346,671	5,346,671
Other DfE / ESFA grants	-	1,806,573	1,806,573	-	1,559,171	1,559,171
Other Government grants						
Local authority	-	350,054	350,054	-	266,844	266,844
Other grants	-	66,307	66,307	-	221,138	221,138
Total grants	-	7,880,619	7,880,619	-	7,393,824	7,393,824
Trip income	-	96,824	96,824	-	138,083	138,083
Total	-	7,977,443	7,977,443	-	7,531,907	7,531,907

5. OTHER TRADING ACTIVITIES

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total £	*2017 Unrestricted Funds £*	*2017 Restricted Funds £*	*2017 Total £*
Hire of facilities and lettings	99,283	-	99,283	*120,388*	*-*	*120,388*
Sales materials	45	-	45	*5,428*	*-*	*5,428*
Examination fees	50	-	50	*699*	*-*	*699*
Other income	160,396	-	160,396	*221,649*	*-*	*221,649*
	259,774	-	259,774	*348,164*	*-*	*348,164*

6. INVESTMENT INCOME

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total £	*2017 Un-restricted Funds £*	*2017 Restricted Funds £*	*2017 Total £*
Bank Interest	526	-	526	*-*	*-*	*-*
	526	-	526	*-*	*-*	*-*

7. EXPENDITURE

	Staff costs £	Premises £	Other costs £	2018 Total £	*2017 Total £*
Costs of generating voluntary income	73,795	-	15,712	89,507	*63,464*
Academy's educational operations					
Direct costs	5,803,781	-	592,738	6,396,519	*6,021,105*
Allocated support costs	1,260,487	774,003	605,103	2,639,593	*2,670,270*
Total	7,138,063	774,003	1,213,553	9,125,619	*8,754,839*

The method used for the apportionment of support costs is disclosed in the accounting policies (note 2).

7. EXPENDITURE (CONTINUED)

Net income/(expenditure) for the period is stated after charging:-

	2018 £	2017 £
Operating leases - other	21,869	19,227
Depreciation	281,728	251,945
Loss on disposal of fixed assets	-	-
Auditor's remuneration for audit services	13,680	12,830

8. ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Direct costs						
Teaching and educational support staff costs	-	5,803,781	5,803,781	-	5,466,240	5,477,870
Depreciation	-	281,728	281,728	-	251,945	251,945
Educational supplies	-	138,248	138,248	-	125,507	125,507
Examination fees	-	69,648	69,648	-	76,841	76,841
Other direct costs	-	103,114	103,114	-	100,572	100,572
	-	6,396,519	6,396,519	-	6,021,105	6,021,105
Allocated support costs						
Support staff costs	-	1,260,487	1,260,487	-	1,408,124	1,408,124
Recruitment and support	-	38,971	38,971	-	25,972	25,972
Marketing and advertising	-	6,481	6,481	-	12,996	12,996
Maintenance of premises and equipment	-	539,727	539,727		526,185	526,185
Cleaning	-	135,342	135,342	-	124,091	124,091
Rent & rates	-	80,067	80,067	-	68,754	68,754
Insurance	-	29,465	29,465	-	27,329	27,329
Security and transport	-	10,050	10,050	-	52,102	52,102
Professional and consultancy	-	60,668	60,668	-	88,331	88,331
Postage	-	7,199	7,199	-	7,249	7,249
Catering	-	140,748	140,748	-	99,264	99,264
School trips	-	91,332	91,332	-	113,413	113,413
Other support costs	-	225,356	225,356	-	103,492	103,492
Governance	-	13,700	13,700	-	12,968	12,968
	-	2,639,593	2,639,593	-	2,670,270	2,670,270
	-	9,036,112	9,036,112	-	8,691,375	8,691,375

9. STAFF

Staff costs

	2018 £	*2017 £*
Staff costs during the period were:		
Wages and salaries	5,369,402	*5,001,715*
Social security costs	491,675	*459,276*
Pension costs	1,239,326	*1,459,626*
	7,100,403	*6,920,617*
Agency staff costs	37,660	*18,766*
	7,138,063	*6,939,383*

There are no non-statutory/non-contractual severance payments included in staff restructuring costs this year (2017: £18,766).

	2018 No.	*2017 No.*
Charitable Activities		
Teachers	106	*89*
Administration and support	135	*91*
	241	*180*

	2018 No.	*2017 No.*
* The number of employees whose emoluments fell within the following bands was:		
£100,001- £110,000	1	*-*
£90,001- £100,000	-	*1*
£70,001 - £80,000	1	*-*
£60,001 - £70,000	-	*2*

The 2 *(2017: 3)* employees detailed above participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions for these members of staff amounted to £28,894 *(2017: £37,716).*

The Key management personnel of the Academy Trust compromise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £862,012 (2017: £947,799).

10. 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 Executive Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and other staff members under their contracts of employment, and not in respect of their services as governors. The value of remuneration was as follows:

		2018 £	2017 £
Executive Headteacher	Remuneration	115,000-120,000	100,000-105,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Trinity Headteacher	Remuneration	75,000-80,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Fir Tree Associate	Remuneration	50,000-55,000	50,000-55,000
Headteacher	Pension contributions paid	5,000-10,000	5,000-10,000
Speenhamland	Remuneration	55,000-60,000	30,000-35,000
Associate Headteacher	Pension contributions paid	5,000-10,000	1-5,000
Trinity Staff governor	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Fir Tree Staff governor	Remuneration	25,000-30,000	20,000-25,000
	Pension contributions paid	1-5,000	1-5,000
Speenhamland Staff	Remuneration	25,000-30,000	-
governor	Pension contributions paid	1-5,000	-

During the period ended 31 August 2018, no travel and subsistence expenses were reimbursed *(2017: £138)*.

Related party transactions involving governors are set out in note 25.

11. DIRECTORS', GOVERNORS' AND OFFICERS' INSURANCE

The Academy has entered a voluntary Risk Protection Arrangement (RPA) with the Department for Education. The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise will be covered by government funds. This arrangement includes Governors' liability and professional indemnity. There is no separately identifiable charge for this insurance cover.

12. TANGIBLE FIXED ASSETS

	Long Leasehold Buildings £	Long Leasehold Land £	Furniture Fittings and Equipment £	Computer Equipment £	Motor Vehicles £	2018 Total £
Cost						
Brought forward	11,780,585	3,536,435	38,924	204,197	55,289	**15,615,430**
Additions	-	-	2,025	6,934	-	**8,959**
Disposals	-	-	-	-	-	**-**
At 31 August 2018	11,780,585	3,536,435	40,949	211,131	55,289	**15,624,389**
Depreciation						
Brought forward	950,606	-	34,543	153,864	31,842	**1,170,855**
Charged in the period	245,371	-	2,939	22,360	11,058	**281,728**
At 31 August 2018	1,195,977	-	37,482	176,224	42,900	**1,452,583**
Net book value At 31 August 2018	**10,584,608**	**3,536,435**	**3,467**	**34,907**	**12,389**	**14,171,806**
Net book value At 31 August 2017	10,829,979	3,536,435	4,381	50,333	23,447	14,444,575

Included within Fixed Assets is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Maintained School. The Academy has used the site valuation provided by West Berkshire Council at the date of conversion.

13. DEBTORS

	2018 £	*2017 £*
Fee debtors	17,675	*914*
Other debtors	18,034	*614*
Prepayments and accrued income	160,300	*151,954*
	196,009	*153,482*

14. CREDITORS: amounts falling due within one year

	2018 £	*2017 £*
Other taxation and social security	123,928	*126,868*
Other Creditors	32,983	*1,088*
Accruals and deferred income	372,650	*291,560*
	529,561	*419,516*

Deferred Income	2018 £	*2017 £*
Deferred income at 1 September 2017	79,149	*69,518*
Resources deferred in the year	125,032	*79,149*
Amounts released from previous years	(43,495)	*(69,518)*
Deferred income at 31 August 2018	160,686	*79,149*

At the Balance Sheet date the Academy Trust was holding funds received from the ESFA, music lesson income and trip income from students for the Autumn term 2018.

15. CENTRAL SERVICES

Trinity School has provided the following central services to Fir Tree School and Speenhamland Primary School during the year:

- Financial services
- Educational support services
- Legal services
- Others as arising

The actual amount charged during the year to Fir Tree academy and Speenhamland academy for the above services amounted to £85,000 *(2017: £80,000)*, and £110,000 *(2017: £64,167)* respectively. Costs for the Trust are apportioned to schools in line with GAG Income (67% - Trinity / 19% - SP / 14% - FT)

16. STATEMENT OF FUNDS

	Balance at 31 August 2017 £	Incoming Resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted General Funds					
General Annual Grant	268,385	7,464,258	(7,569,350)	(8,959)	154,334
Pension reserve	(2,464,000)	-	(412,000)	558,000	(2,318,000)
Other ESFA grants	-	416,361	(408,806)	-	7,555
School Fund	57,135	106,875	(96,789)	-	67,221
	(2,138,480)	7,987,494	(8,486,945)	549,041	(2,088,890)
Restricted Fixed Asset Fund					
Fixed assets – Donated on conversion	14,444,575	-	(281,728)	8,959	14,171,806
DfE/ESFA capital grants	114,645	270,810	(272,896)	-	112,559
	14,559,220	270,810	(554,624)	8,959	14,284,365
Unrestricted Funds					
Unrestricted funds	734,958	260,300	(84,050)	-	911,208
Total funds	13,155,698	8,524,594	(9,131,609)	558,000	13,106,683

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

Restricted General Funds - ESFA grants (including GAG), which must be used to meet the cost of running Newbury Academy Trust.

Restricted Other Funds - represents donations and fundraising income generated by the school, which is for restricted use as stipulated by the donor.

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Directors' Board.

The transfer of £8,959 from the restricted general fund to the restricted fixed asset fund represents the purchase of fixed assets from GAG in the year.

16. STATEMENT OF FUNDS (continued)

Fund balances at 31 August 2017 were allocated as follows:

	2018 £	*2017 £*
Trinity School	**9,164,247**	*9,154,562*
Fir Tree Primary	**1,365,932**	*1,447,436*
Speenhamland Primary	**2,576,504**	*2,553,700*
Total	**13,106,683**	*13,155,698*

	Teaching and Educational Support Staff Costs £	Other Support Staff Premises £	Educational Supplies £	Other Costs (excluding capital expenditure) £	Total £
Trinity School	4,062,647	882,341	83,048	1,294,084	**6,322,120**
Fir Tree Primary	754,492	163,863	10,813	240,330	**1,169,498**
Speenhamland	986,643	214,283	29,291	314,277	**1,544,494**
Total	5,803,782	1,260,487	123,152	1,848,691	**9,036,112**

Statement of funds – prior year

	Balance at 31 August 2017 £	Incoming Resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted General Funds					
General Annual Grant	*486,683*	6,905,842	(6,995,223)	(128,917)	**268,385**
Pension reserve	*(2,008,000)*	-	(725,000)	269,000	**(2,464,000)**
Other ESFA grants	-	487,982	(487,982)	-	-
School Fund	*32,465*	138,083	(113,413)	-	**57,135**
	(1,488,852)	7,531,907	(8,321,618)	140,083	**(2,138,480)**
Restricted Fixed Asset Fund					
Fixed assets - Donated on conversion	*11,786,798*	-	(251,945)	2,909,722	**14,444,575**
Transfer on conversion		2,829,453	-	(2,829,453)	-
DfE/ESFA capital grants	*31,752*	152,057	(117,812)	48,648	**114,645**
	11,818,550	2,981,510	(369,757)	128,917	**14,559,220**
Unrestricted Funds					
Unrestricted funds	*450,258*	348,164	(63,464)	-	**734,958**
Total funds	*10,779,956*	10,861,581	(8,754,839)	**269,000**	**13,155,698**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Other Restricted Fund £	Total £
Tangible fixed assets	-	-	14,171,806	-	**14,171,806**
Current assets	911,208	691,450	112,559	67,221	**1,782,438**
Current liabilities	-	(529,561)	-	-	**(529,561)**
Pension scheme liability	-	(2,318,000)	-	-	**(2,318,000)**
	911,208	(2,156,111)	14,284,365	67,221	**13,106,683**

Analysis of net assets between funds – prior year

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Other Restricted Fund £	Total £
Tangible fixed assets	-	-	14,444,575	-	14,444,575
Current assets	734,958	687,901	114,645	57,135	1,594,639
Current liabilities	-	(419,516)	-	-	(419,516)
Pension scheme liability	-	(2,464,000)	-	-	(2,464,000)
	734,958	(2,195,615)	14,559,220	57,135	13,155,698

18. CAPITAL COMMITMENTS

At 31 August 2018 there were commitments of £30,500 *(2017: £87,123)* in respect of future works boilers (*2017: work on fire doors*).

19. FINANCIAL COMMITMENTS

Operating Leases

At 31 August 2018 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2018 £	*2017 £*
Other		
Expiring within one year	**17,092**	*21,703*
Expiring within two and five years inclusive	**1,361**	*18,453*
	18,453	*40,156*

20. MEMBERS' LIABILITIES

Every member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the Trust's debts and liabilities before he or she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributions amongst themselves.

21. CASH FLOWS FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income	(607,015)	2,106,742
Depreciation	281,728	251,945
Loss on disposal of fixed assets	-	-
Capital grant received	(270,810)	(152,057)
Defined benefit pension scheme cost	412,000	725,000
Interest received	(526)	-
(Increase) in debtors	(42,527)	(16,132)
Increase in creditors	110,045	2,903
Cash Used in Operating Activities	**(117,105)**	2,918,401

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2018 £	2017 £
Purchase of tangible fixed assets	(8,959)	(64,009)
Transfer on conversion	-	(2,829,453)
Capital grants received	270,810	152,057
Interest received	526	-
Cash Provided by (used in) Investing Activities	**262,377**	(2,741,405)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank	1,586,429	1,441,157

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Directors being linked to local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the AFH and with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the financial period:

Ms Z Golding, a Governor at Trinity School, is also a Director of ZoieLogic Dance Theatre

- A total of £1,716 was paid by the Trust to ZoieLogic Dance Theatre during the period. There were no amounts outstanding at 31 August 2018.

25 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £6,976 *(2017: £5,799)* and disbursed £5,990 (*2017: £5,799*) from the fund. The outstanding balance at the year end has been included in other creditors.

26. PENSIONS AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal County of Berkshire Pension Scheme. Both are defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil *(2017: £nil)* were payable to the schemes at 31 August 2018.

26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

The employer's pension costs paid to TPS in the period amounted to £590,028 (2017: £535,463).

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

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

26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £324,000, of which employer's contributions totalled £242,000 and employees' contributions totalled £82,000. The agreed contribution rates are currently 18.6 per cent for employers and from *5.5 to 12.5 per cent for employees depending on salary.*

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.

Principal actuarial assumptions	At 31 August 2018	*At 31 August 2017*
Rate of increase in salaries	3.8%	*4.2%*
Rate of increase of pensions in payment / inflation	2.3%	*2.7%*
Discount rate for scheme liabilities	2.65%	*2.6%*
Inflation Assumption (CPI)	2.3%	*2.7%*

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

	At 31 August 2018 £'000	*At 31 August 2017* £'000
Retiring today - males	23.1	*23.0*
Retiring today - females	25.2	*25.1*
Retiring in 20 years - males	25.3	*25.2*
Retiring in 20 years - females	27.5	*27.4*

Sensitivity analysis

	At 31 August 2018 £'000	*At 31 August 2017* £'000
Discount rate +0.1%	4,170	*3,932*
Discount rate -0.1%	4,393	*4,143*
Mortality assumption – 1 year increase	4,419	*4,167*
Mortality assumption – 1 year increase	4,145	*3,909*
CPI rate +0.1%	4,382	*4,126*
CPI rate -0.1%	4,181	*3,948*

26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The academy trust's (combining Trinity School, Fir Tree Primary and Speenhamland Primary) share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2018	**Fair value at 31 August 2018 £'000**	*Expected return at 31 August 2017*	*Fair value at 31 August 2017 £'000*
Equities	**47%**	**919**	*50%*	783
Gilts	**n/a**	**n/a**	*n/a*	n/a
Other bonds	**15%**	**294**	*16%*	247
Property	**14%**	**269**	*14%*	*216*
Cash	**15%**	**290**	*12%*	*181*
Target Return Portfolio	**4%**	**80**	*5%*	*83*
Commodities	**2%**	**37**	*2%*	*28*
Infrastructure	**7%**	**132**	*7%*	*111*
Longevity Insurance	**-3%**	**-59**	*-5%*	*-77*
Total market value of assets		**1,962**		*1,572*

The actual return on scheme assets was £75,000 (*2017: £102,000*).

The amounts included within the Statement of Financial Activities would be as follows:

	2018 £'000	*2017 £'000*
Current service cost	**(593)**	*(841)*
Administration expenses	**(1)**	*(1)*
Net interest on the defined liability	**(61)**	*(47)*
Total operating charge	**(655)**	*(889)*

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

	2018 £'000	*2017 £'000*
Opening defined benefit obligation	**4,036**	*3,022*
Current service cost	**593**	*403*
Interest cost	**106**	*76*
Estimated benefits paid (net of transfers in)	**(9)**	*91*
Employee contributions	**82**	*58*
Liabilities assumed / (extinguished) on settlements	**-**	*645*
Experience gain on defined benefit obligation	**-**	*(130)*
Actuarial loss (gain)	**(528)**	*(129)*
At 31 August 2018	**4,280**	*4,036*

26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2018 £'000	*2017* *£'000*
Opening balance	1,572	*1,014*
Interest cost	*45*	*29*
Return on plan assets (excluding net interest on the defined Pension liability)	*30*	*73*
Estimated benefits paid (net of transfers in)	(9)	91
Settlement prices received / (paid)	-	207
Other actuarial gains/(losses)	-	(63)
Administration expenses	(1)	(1)
Employer contributions	243	164
Employee contributions	82	58
At 31 August 2018	1,962	*1,572*

27. FINANCIAL INSTRUMENTS

	2018 £	*2017* *£*
Financial assets measured at amortised cost	1,699,775	*1,539,863*
Financial liabilities measured at amortised cost	2,562,947	*2,677,499*

Financial assets held at amortised value include cash, fee debtors and accrued income.

Financial liabilities held at amortised value include pension deficit, other creditors and accruals.

Total interest income for financial assets held at amortised cost was £526 (*2017: £nil*).

28. COMPARATIVE 2017 STATEMENT OF FINANCIAL ACTIVITIES

	Un-restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	2017 Total £
Income and endowments from:				
Donations and capital grants	-	-	152,057	**152,057**
	-	-	2,829,453	**2,829,453**
Charitable activities:				
Funding for the Academy's educational operations	-	7,531,907	-	**7,531,907**
Other trading activities	348,164	-		**348,164**
Investments	-	-	-	**-**
Total	348,164	7,531,907	2,981,510	**10,861,581**
Expenditure on:				
Raising funds	63,464	-	-	**63,464**
Charitable activities:				
Academy's educational operations	-	8,321,618	369,757	**8,691,375**
Total	63,464	8,321,618	369,757	**8,754,839**
Net income/(expenditure)	284,700	(789,711)	2,611,753	**2,106,742**
Gross transfers between funds	-	(128,917)	128,917	**-**
Other recognised gains and losses				
Actuarial (losses) on defined benefit pension schemes	-	269,000	-	**269,000**
Net movement in funds	284,700	(649,628)	2,740,670	**2,375,742**
Funds brought forward at 1 September 2016	450,258	(1,488,852)	11,818,550	**10,779,956**
Funds carried forward at 31 August 2017	**734,958**	**(2,138,480)**	**14,559,220**	**13,155,698**