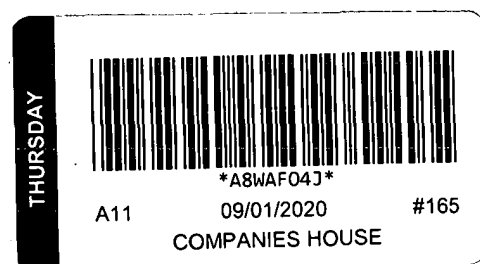


New Collaborative Learning Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019



**Company Registration Number:
09257194 (England and Wales)**

New Collaborative Learning Trust

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New Collaborative Learning Trust

Reference and Administrative Details

Members	N Butler (Chair) (resigned 09.10.19) S Congdon (resigned 08.07.19) J Gough D Heritage J Szczepanski
Trustees (Directors)	D Heritage (Chair) A Dee (Chair Advisory group) C Dewhurst P Dixon R Fletcher (Chief Executive and Accounting Officer from 01.11.19) B Foster L Fox (resigned 12.12.18) D Green P Hagen OBE (Chief Executive and Accounting Officer to 31.10.19) R Heritage (adopted 15.05.19) D Mactaggart P Meakin (Chair Audit Committee)
Advisory Group New College Pontefract	A Dee (Chair) (Parent) R Fletcher (Principal Pontefract) to 31.10.19 M Jefferies (adopted 03.07.19) N Kaiper-Holmes S Lewis V Marks (Acting Principal Pontefract) from 01.11.19 L Maxwell Smart P Thompson (resigned 31.08.19) K Sykes
Advisory Group New College Doncaster	L Fox (Chair) (resigned 12.12.18) B Fletcher (Principal Doncaster) N Craven M Whitehead (resigned 09.10.19) A Megahy (Chair) E Mellor (adopted 09.10.19) K Green (adopted 05.02.19) L Rave (adopted 26.03.19)
Advisory Group New College Bradford	V. Clift (Vice Chair) (adopted 03.07.19) T Hashmi (adopted 03.07.19) K Miller (adopted 03.07.19) S Nash (Principal Bradford) M Priest (adopted 03.07.19) P Thompson (Chair) D Wall (adopted 03.07.19)
Audit Committee	P Meakin (Chair) D Samwell E Wallace

New Collaborative Learning Trust

Reference and Administrative Details

Trust management team:

- | | |
|---|---|
| • Chief Executive and Accounting Officer | P Hagen OBE (to 31.10.19)
R Fletcher (from 01.11.19) |
| • Principal Pontefract/Designate CEO | R Fletcher (to 31.10.19) |
| • Acting Principal Pontefract | V Marks (from 01.11.19) |
| • Principal Doncaster | B Fletcher |
| • Principal Designate Bradford / Trust Director Teaching and Learning | S Nash (to 31.08.19)
S Nash (from 01.09.19) |
| • Principal Bradford | J Vickers |
| • Trust Director of Finance | L Walker |
| • Trust Director of Human Resources | |

Principal and Registered Office

New College
Park Lane
Pontefract
WF8 4QR

Company Registration Number

09257194 (England and Wales)

Independent Auditor

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Bankers

Lloyds Bank plc
17 Westgate
Wakefield
WF1 1JZ

Solicitors

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

New Collaborative Learning Trust

Trustees' Report

The trustees have pleasure in presenting their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trustees have adopted the provisions of 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 (FRS102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust was established to offer dynamic, high quality learning experiences to students age 16-19 in a supportive, young adult environment, enabling academic success and personal growth. We aim to be an inclusive provider of education in which students and staff work together to achieve potential and transform lives.

On 1 June 2017, New College Pontefract converted to an academy and all its assets and liabilities were transferred to the trust on that date. The college has over 2400 students on mainly level 3 courses with a small cohort of level 2 students. Students are drawn from over 50 local high schools from the Wakefield five towns as well as Barnsley, South Leeds, Snaith and East Yorkshire.

The trust successfully opened New College Doncaster, a new 16-19 free school on 18 September 2017 enrolling over 450 new students. New College Doncaster offers A levels and Level 3 Applied General courses to young people of South Doncaster and the surrounding area. The college has continued to grow and has just under 1000 students in the academic year 2018-19.

The trust has also been successful in its application to open a further 16-19 free school in Bradford which opened in September 2019. The trust was also in receipt of a pre-development grant to support the planning, organisation and set up of this new college.

Structure, Governance and Management

Constitution

The New Collaborative Learning Trust is a company limited by guarantee and an exempt charity; it was incorporated on 9 October 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of New Collaborative Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as New Collaborative Learning Trust. New College Pontefract joined the trust on 1 June 2017; New College Doncaster, a new 16-19 Free Sixth Form College built by the trust with funding from the ESFA, opened in September 2017. A further new 16-19 Free Sixth Form College, New College Bradford, built with funding from the ESFA opened in September 2019.

Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1 - 2.

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' Indemnities

A trustee may benefit from any indemnity insurance purchased at the academy trust's expense to cover the liability of trustee which by virtue of any law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust.

Directors and members liability is provided within the trust insurance provided by Travelers Insurance Company Limited up to a limit of £2,000,000 in any one membership year.

Method of Recruitment and Appointment or Election of Trustees

The members may appoint up to 12 trustees (directors) by ordinary resolution. Staff trustees may be appointed through such processes as the members may determine. The CEO shall be an ex officio trustee. A minimum of two parent trustees shall be elected by parents of registered students if local governing bodies do not include such parent governors. The trustees may co-opt further trustees as they see fit, except that the number of trustees employed by the academy trust shall not exceed one third of the total number.

All trustees are appointed on the basis of the contribution they can make to the development and success of the trust. The trustees are assessed based on personal qualities, specific skills and expertise they can provide. All trustees give their time freely and receive no remuneration, other than reasonable expense, except those who are employees of the trust.

New Collaborative Learning Trust

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity, education, legal and financial matters. New trustees will be given a tour of the college(s) and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Regular skills audits are undertaken to identify any gaps and a training plan sets out planned training for the year.

Organisational Structure

The management structure consists of three levels: the board of trustees, the local advisory groups and the trust leadership team. Each College then has its own senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The trust board of members meets twice a year as a minimum; the board of trustees meets six times a year as a minimum and is supported by the Audit Committee who meet three times a year. The advisory groups meet six times a year or more often if required. The CEO is the Chief Accounting Officer and the Financial Director the Chief Financial Officer.

The board of trustees holds the advisory groups and the trust leadership team to account. The scheme of delegation sets out the responsibility of all stakeholders and has been adopted by the trust and is reviewed annually. The local advisory groups monitor, challenge and support the quality of teaching and learning and the achievement of pupils.

The trust leadership team is responsible for the day to day operation of the colleges within the trust, in particular organising the staff, resources and students.

Arrangements for setting pay and remuneration of key management personnel

The board of trustees sets the conditions of employment of the CEO, including salary review and progression. The board of trustees approves the salary scales for the trust executive team, teaching staff and support staff ensuring that the executive management of the trust are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the trust. The CEO appoints all other trust staff to the approved salary scales and in accordance with appropriate conditions of service. Cost of living pay recommendations are benchmarked against the Sixth Form College Association's pay settlement recommendations for Teachers and Support Staff.

Trade union facility time

There is no trade union facility time.

Related Parties and other Connected Charities and Organisations

The trust is closely linked to the New Collaborative Teaching School Alliance, a partnership of over 30 schools and colleges focussing on CPD, ITT, talent management and school to school improvement. The trust brings significant experience of evaluating provision in other providers and helping to develop and support improvement strategies, drawing upon a number of OFSTED inspectors. There are no related party transactions nor transactions through subsidiary companies.

Employees and disabled persons

NCLT is committed to ensuring equality of opportunity for all who learn and work in the organisation. The trust respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions, which may place people at disadvantage and we actively combat bigotry.

The trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the trust continues and occupational health can provide support and guidance to allow them to continue in employment with us. The trust's policy is to provide training, career development and opportunities for promotion, which are as far as possible, identical to those for other employees. The number of disabled persons employed by the trust during the year was 17.

New Collaborative Learning Trust

Trustees' Report

Objectives and Activities

The main objects of the trust as stated in the articles of association are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining and carrying on, managing and developing 16-19 Academies offering a curriculum appropriate to the needs of its students.
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation with the object of improving the condition of life of the said inhabitants.

The mission of the trust is to provide the following public benefits through the advancement of education:

The trust will raise standards across our family of schools and colleges. We will promote a culture of aspiration, excellence and enjoyment. We will use our collective strengths and expertise to benefit our children and young people.

To achieve this we will:

- Recruit and retain ambitious, dedicated and well qualified staff and develop them through high quality professional learning
- Design and implement a flexible, inspiring and outstanding teaching and learning model
- Recognise and implement systems for accountability and transparency at all levels to ensure a consistent focus on purpose and outcomes
- Foster and sustain a culture of professional generosity, honesty, integrity and trust
- Use collaborative opportunities to drive value for money and quality
- Develop and implement policies, systems and processes to reflect and support the unique context and position of each member of our family of schools
- Develop and implement a measured and sustainable growth plan predicated on impact

Objects and Aims

- To add education value to a greater number of young people. The founding college's standards and performance will be the touchstone for excellence throughout our family.
- Deliver an inclusive pedagogy, which takes into account the unique needs and qualities of every young person; supporting them to grow in character, resilience and confidence; providing a bedrock of skills and habits which they can draw upon in life, work and further study; and developing knowledge and subject mastery to enable progression which will bring fulfilment and success.
- Support talent management, recruiting and retaining talented staff and offering opportunities for dynamic ITT and CPD.
- Bring financial value and stability through improved purchasing power, shared services and stable finances.
- Support the government's agenda for education transformation and social mobility through improving outcomes and lives.

Objectives, Strategies and Activities

Achievement

We want to achieve outstanding trust-wide performance in all study programmes and for all learner groups. The progress towards and achievement of this goal will be monitored through challenging targets for learner progress, achievement and value added supported by the trust performance strategy and college teaching and learning assessment plans. Each of the colleges will have a set of performance targets based on indicators set by the Department for Education and previous college performance in the case of Pontefract. Doncaster and Bradford's performance targets are informed by the previous performance of Pontefract and by key stage four achievement in the schools with a high volume of college applications. Overall trust targets are derived using weighting of numbers.

Growth

We want to achieve our planned growth across all colleges so that by 2020 five thousand young people will be experiencing a high quality post-16 education. Growth targets will be established for each college, informed by demographic trends and forecasts.

Financial Health

We want to use our shared services to achieve efficiencies and value for money in support services in order to direct resources to student learning. The progress and achievement of this goal will be monitored through financial targets for annual surplus (above 2% of core income), positive cash balance and current ratio, robust fiscal control and stringent management of risk.

New Collaborative Learning Trust

Trustees' Report

Culture and Environment of Safety

We want to provide a physical environment which is safe, and equipped with first class facilities and equipment. We want students and staff to flourish in a welcoming and inclusive culture supportive of all needs and goals. The progress towards this goal will be difficult to measure in tangible ways but will be reflected in indicators including staff retention, staff surveys and staff voice, student retention, student participation in wider college life, student enrolment and student satisfaction survey feedback.

Social Mobility

We want our colleges to be engines of social mobility so that students succeed because of talent and hard work and their ambitions are shaped by this, and not limited by the circumstances of their birth. The progress towards and achievement of this goal will be monitored through challenging progression targets for all students, with a separate target for students in ward uplift areas and those identified as pupil premium.

Public Benefit

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties when reviewing the charity's aims and objectives and in planning future activities. The main benefit delivered by the trust is the provision of outstanding education to its students. This is evidenced through the results achieved and feedback from external assessments.

Strategic Report

Achievements and Performance and Key Performance Indicators

The trust sets challenging KPIs for value added (VA), high grades, retention and pass rates well above sector benchmarks.

The headline results for the Trust :

- NCP recorded best results ever
- NCP high grade rate A* to B was 60.1%
- NCP A Level value added top 12% nationally
- NCD first set of solid results
- NCD BTEC high grades exceptional at 96.5%
- Strong retention across the trust
- Strong GCSE re-sit performance across the trust

A Level

	Pontefract	Doncaster
ALPs	3	4
LV3A (unvalidated)	0.24	0.10
High Grades	60.1%	51.1%
Pass rate	99.9%	99.2%

Applied General

	Pontefract	Doncaster
ALPs	2	2
High Grades	91.7%	96.5%
Pass rate	100%	100%

Compared with Previous Year (Pontefract)

	A2	App General (Y13)
ALPs	same	same
LV3A (unvalidated)	0.07	N/A
High Grades	+2.7%	+0.9%
Pass rate	+0.4%	+0.5%

New Collaborative Learning Trust

Trustees' Report

Compared with College Targets (Pontefract)

	A2	App General (Y13)
ALPs	-1	same
High Grades	+1.5%	0%
Pass rate	0%	0%

- The college met or exceeded some of its ambitious targets in both qualifications with outstanding improvements in high grades

GCSE Resit

Qualification	Pontefract	Doncaster
GCSE English Language 4+	56.5%	75.0%
GCSE Mathematics 4+	45.4%	57.6%
English Progress measure	0.88	1.06
Mathematics Progress measure	0.65	0.74

- Doncaster does not have a level 2 cohort so results are purely from level 3 students resitting English or Maths.

Student Numbers and retention

In 2018/19 New College Pontefract delivered activity to 2,379 learners that produced £10,194,095 of funding outturn for the year against a funding allocation of £9,874,649 for 2,307 learners.

Student retention is now measured across the two years of students' programmes at New College Pontefract was 92.9% which is well above the national benchmark target.

In 2018/19 New College Doncaster delivered activity to 931 learners that produced £3,945,460 of funding outturn for the year against a funding allocation of £3,968,221 for 918 learners.

Two year student retention at New College Doncaster was 92.8% which is well above the national benchmark target.

Going Concern

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

Financial Review

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted and defined by its funding agreement. The grants received from the ESFA and other bodies during the year ended 31 August 2019 and the associated expenditure are shown as restricted general funds in the statement of financial activities (SOFA). The trust received total revenue grant income of £14,903,000 during the year (2018 £12,506,000). Details are shown in note 3 to the accounts.

The trust also received capital funding of £707,911 during the year for the installation costs of broadband and the IT infrastructure at New College Bradford; the construction of New College Bradford was directly funded by the ESFA at a cost of £16,014,000. The trust received capital funding of £304,894 (2018 £2,997,000) during the year for the constructions costs of New College Doncaster). In accordance with the Charities Statement of Recommended Practice; 'Accounting and Reporting by Charities (SORP 2005) such grant is shown in the SOFA as restricted fixed asset funds. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned. Details are shown in note 11 to the accounts.

The trust generated a net income of £17,642,000 (2018 £3,211,000) for the year.

The net book value of tangible fixed assets was £53,484,000. The assets are used exclusively for providing education and the associated support services to the students of the trust.

The ESFA made a loan of £2,399,780 to New College Pontefract on 16 May 2017 to enable it to repay the bank loans outstanding at that date together with the break costs charged by the bank and this was transferred to New Collaborative Learning Trust as part of the fixed asset reserves. The loan is repayable over 9 years and if the loan is settled earlier, no break costs will apply. The current Public Works Loan Board 6-month variable interest rate, which is set by Her Majesty's Treasury, will apply to this loan. The initial interest rate was 0.87% and the rate is subject to a

New Collaborative Learning Trust

Trustees' Report

review which will take place every six months from 31 May 2017. The interest rate was changed to 1.19% with effect from 1 June 2018, to 1.45% with effect from 1 December 2018 and to 1.42% with effect from 1 June 2019.

The trust had net cash flow from operating activities of £975,000 (2018 £1,052,000).

Reserves Policy

The trustees will review the level reserves of the trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trust has three levels of reserves: restricted general funds are used to carry out the principal objects of the organisation; restricted fixed asset funds are used to finance fixed assets and unrestricted funds are used under the direction of the board of directors.

The unrestricted reserves of £760,000 are freely available for general purposes. The general restricted reserves, excluding pension reserve, of £1,812,000 are available to support the objects of the trust. The fixed asset reserve of £52,028,000, which includes the ESFA loan liability, can only be realised by disposing fixed assets with a net book value of £53,484,000.

It is the trust's policy to maintain sufficient reserves to meet unexpected expenditure and to reinvest any surplus in the building stock and to cover gaps in funding that may occur in the future. The current level of reserves are considered to be sufficient to finance potential needs in the foreseeable future.

The Local Government Pension Scheme has been calculated to have an actuarial loss of £1,954,000 in the year with a deficit of £4,442,000 at 31 August 2019 under FRS 102 methodology. Future employer contribution rates and capital contributions will be determined by the next triennial valuation of the pension scheme as at 31 March 2019.

Investment Policy

The trustees' investment powers are governed by the Memorandum and Articles of Association and Funding Agreement with the Secretary of State. They restrict the investment vehicles that may be used. There are currently no funds available for long term investment.

Principal Risks and Uncertainties

The trustees have assessed the major risks to which the trust is exposed in particular those relating to the specific provision of teaching, facilities management and other operational areas of the trust and its finances. A risk register is maintained by the trust which is reviewed annually by the audit committee. Significant risks are reviewed and reported to the board. The risk register identifies the key risks, the probability of the risk occurring, the potential impact and the actions being taken to mitigate the risks. Risks are prioritised using a consistent scoring system. Outlined below are the main risk factors which may impact on the trust. Not all the factors are within the trust's control.

1. Changes to Government legislation, particularly with regard to funding
The trust relies heavily on funding from ESFA and any change to the rate or way in which funding is calculated could have severe implications for the trust. This risk is mitigated in a number of ways:
 - Ensuring student numbers are kept high to maximise funding
 - Ensure students are all fully funded – over 540 hours and meet conditions of funding
 - By ensuring the trust is rigorous in delivering high quality education and training
2. Maintenance of high quality provision
If standards fall in any of the Colleges or inspection results are not good or outstanding this could impact on future enrolments and retention. This will be mitigated through:
 - Close monitoring of results, student progress and effective interventions where required
 - Mock OFSTED inspections of each college
 - Close monitoring by the Advisory Boards and Board of Directors of whole college results and interventions.
3. New College Bradford does not recruit sufficient students
Opening of New College Bradford could put undue pressure on trust finance if it does recruit its target numbers. This risk will be mitigated through:
 - Close monitoring of applications and enrolment numbers and associated budgets.

Financial and risk management objectives and policies

The trust's dealings with financial instruments are limited to bank accounts, creditors and debtors. The limitation serves to minimise credit and liquidity risks when this is combined with the nature of the trust's debtors (being principally Government bodies and other schools) and therefore the risk to cash flow is minimal.

New Collaborative Learning Trust

Trustees' Report

Fundraising

The trust does not carry out any fundraising activities.

Plans for Future Periods

The trust plans to further increase student numbers as part of its strategic plan and to develop the site at Pontefract as funds are available.

New College Doncaster a 16-19 Free Sixth Form College opened in September 2017 with a planned roll of 450 in year 1 rising to 1200 in three years. The college had 930 students on roll in September 2018 which is in line with the planned growth rising to 1200.

The trust was successful in its application to the Department of Education to open New College Bradford another 16-19 Free Sixth Form College which opened in September 2019 with a planned roll of 500 rising to 1200 in three years.

The trust is also in consultation with a pre-16 school in the Rotherham area which is keen to join the trust.

Funds Held as Custodian Trustee on Behalf of Others

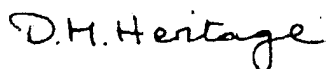
The trust does not hold any funds as custodian trustee on behalf of others at the date of signing.

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on the board's behalf by:



.....
Diane Heritage
Chair of Trustees

New Collaborative Learning Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between New Collaborative Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The main challenge facing the board of trustees was the successful opening of New College Bradford.

The trust Board of Directors meet 6 times a year as a minimum (half termly), and more often if required. The Board of Directors are supported by an audit committee which meet three times a year.

The advisory group meet 6 times a year as a minimum (half termly), and more often if required. The advisory group split into separate advisory groups to better serve each college once Doncaster opened in September 2017.

The terms of reference for the advisory group are narrower in scope. As a result of this, the focus of the group is the key educational functions of each of the three sixth form colleges. Meeting agendas are linked explicitly and consistently to the four OFSTED strands of outcomes, quality of teaching, learning and assessment, personal development, behaviour and welfare and leadership and management. Finance, human resources and estates will be dealt with in the main at trust level. Because of this approach the management of the individual colleges is possible, with, in addition, the benefits of consistency, established culture and high standards.

New Collaborative Learning Trust

Governance Statement

Attendance during the year at meetings of the board of trustees and members were as follows:

Members	Meetings attended	Out of a possible
N Butler (Chair)	1	2
S Congdon (resigned 08.07.19)	0	2
J Gough	2	2
D Heritage	2	2
J Szczepanski	2	2
Trustees – Attendance at meetings and training		
D Heritage	6	7
A Dee	7	7
C Dewhurst	5	7
P Dixon	4	7
B Foster	4	7
L Fox (resigned 12.12.18)	0	2
D Green	4	7
P Hagen OBE	6	7
R Heritage (adopted 15.05.19)	0	0
D Mactaggart	5	7
P Meakin	6	7
Attendance at Advisory Group Pontefract		
A Dee (Chair)	6	6
R Fletcher	6	6
M Jefferies (adopted 03.07.19)	0	0
N Kaiper-Holmes	6	6
L Maxwell Smart	5	6
P Thompson	5	6
S Lewis	5	6
K Sykes	5	6
Attendance at Advisory Group Doncaster		
L Fox (resigned 12.12.18)	1	2
B Fletcher (Principal Doncaster)	5	6
N Craven	4	6
M Whitehead	2	6
A Megahy	6	6
K Green (appointed 05.02.19)	3	4
L Rave (appointed 26.03.19)	2	2
Attendance at Advisory Group Bradford		
(no meetings in the year)		
Audit Committee		
P Meakin (Chair)	3	3
D Samwell	2	3
E Wallace	1	3

New Collaborative Learning Trust

Governance Statement

Governance review

A governance review was carried out as a component of the internal audit for 2017/18. It concluded that the corporate governance arrangements for the trust were strong and that the trust had developed a governance framework that was in line with good practice and had detailed plans to expand this over the next five years. It highlighted the following areas of good practice:

- That a comprehensive skills audit had been carried out with each trustee to determine strengths and learning needs and that the trust had developed an ongoing training plan for governors. A review of the skills mix for the new trustees shows that it is appropriate for the trust.
- From the review of information produced by the trust for the Board of Members, Board of Directors, Advisory Group and Audit Committee it concluded that they were of sufficient quality for the trustees to discharge their duties.
- Detailed programmes of works had been developed for the Board of Members, Board of Directors, Advisory Group and Audit Committee in accordance with the terms of reference for each committee.
- Trust Board, Sub Committee and Local Governing Board terms of reference have been effectively developed and these are clear and define specifically the duties of each Board and Committee. The roles of the chairs are also clearly defined. The Governance plan also includes a detailed plan of expanding the governance structure over the next five academic years.

The directors complete an annual self-evaluation and skills audit which is reviewed by the chair of the Board of Directors who makes recommendations to the board of members. Should there be any concerns about a director then appropriate feedback, support and training will be provided and clear targets set. It is the chairs responsibility to ensure that all directors are acting in accordance with the code of conduct. The Board of Members at the AGM may make resolutions about the continuity of each director but can make changes at any point in time.

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- ensure that the internal control systems and arrangements for risk management, control and governance processes of the trust are independently, objectively and actively monitored.
- advise the board on the appointment of internal auditors, reporting accountants and financial statement auditors and their remuneration for both audit and non-audit work as well as reporting annually to the board of trustees.
- consider and advise the Board on the financial statements/external audit strategy and annual internal audit plans.
- monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the financial statements and regularity auditor's management letter.
- ensure that all allegations of fraud and irregularity are properly followed up.
- operate in accordance with written terms of reference approved by the trustees.

The Board of Directors are supplied with data on a regular basis by the Executive Management Team at the Board of Directors meetings. This includes monthly Management Accounts and a Data Dashboard on outcomes, attendance and retention. The Board finds this information accurate, timely and sufficient for monitoring and evaluating the performance of the trust.

Review of Value for Money

As accounting officer, the CEO 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- ensuring that the Colleges within the trust continued to achieve excellent results and good value added putting them in the top 25% of centres nationally.
- operating a centralised system for support services. Finance, ICT, human resources, student services and teaching and learning are all controlled centrally. This represents far better value for money and as the trust grows will enable us to make bigger savings.

New Collaborative Learning Trust

Governance Statement

- ensuring that staffing of the curriculum is tightly managed and class sizes and groups numbers are closely monitored to ensure that we achieve good value for money.
- operating tight budgetary control with regular budget monitoring by the senior team. Budget overspends are rare and must be fully authorised by the director of finance.
- ensuring that wherever possible all contracts are entered into on a trust basis to take advantage of economies of scale. The trust photocopying contract has been renegotiated during the year to obtain the best value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in New Collaborative Learning Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Wylie and Bisset as internal auditor. The internal auditor's role includes performing a range of checks on the academy trust's financial and other key systems. In particular, the checks carried out in the current period include:

- HR and payroll
- learner numbers
- GDPR
- review of the new trust framework

The internal auditor reports to the board of trustees, through the audit committee, three times a year on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor has delivered the schedule of work as planned and no material control issues were identified.

New Collaborative Learning Trust

Governance Statement

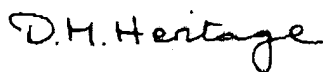
Review of Effectiveness

As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



.....
Diane Heritage
Chair of Trustees



.....
Richard Fletcher
Accounting Officer

New Collaborative Learning Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of New Collaborative Learning Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2018.

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



Richard Fletcher
Accounting Officer

Date12.12.19.....

New Collaborative Learning Trust

Statement of Trustees' Responsibilities

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

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

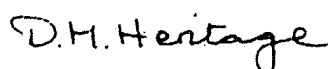
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



.....
Diane Heritage
Chair of Trustees

New Collaborative Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of New Collaborative Learning Trust

Opinion

We have audited the financial statements of New Collaborative Learning Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and 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 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 charitable 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 charitable company'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.

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 Report of the Independent Auditors thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement.

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 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 the audit:

- the information given in the Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Report of the Trustees has been prepared in accordance with applicable legal requirements.

New Collaborative Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of New Collaborative Learning Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and Report of the Trustees.

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

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

Responsibilities of Trustees

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

Our 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 a Report of Independent Auditors that includes our opinion. Reasonable assurance is a high level 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 Report of the Independent Auditors.

Use of our report

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



Mark Garrison BCom FCA DChA (Senior Statutory Auditor)

for and on behalf of Allotts Business Services Ltd, Statutory Auditor

Chartered Accountants

The Old Grammar School

13 Moorgate Road

Rotherham

South Yorkshire

S60 2EN

Date: 13 December 2019

New Collaborative Learning Trust

Independent Reporting Accountant's Assurance Report on Regularity to New Collaborative Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New Collaborative Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of New Collaborative Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of New Collaborative Learning Trust's funding agreement with the Secretary of State for Education dated 5 May 2017 and the Academies Financial Handbook, extant from 1 September 2018 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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:

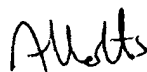
- enquiry of officers of the trust
- review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the trust's systems of controls
- examination of relevant documents
- review of the activities carried out by the academy trust
- review of the delegated authorities set out in the Academies Financial Handbook
- review of governance arrangements in accordance with the Academies Financial Handbook

New Collaborative Learning Trust

Independent Reporting Accountant's Assurance Report on Regularity to New Collaborative Learning Trust and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Allotts Business Services Ltd
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Date: 13 December 2019

New Collaborative Learning Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	2	80	111	17,860	18,051	3,208
Charitable activities:						
Trust's educational operations	3	22	14,881	-	14,903	12,506
Teaching School	25	18	64	-	82	51
Other trading activities	4	519	918	-	1,437	1,022
Investments	5	23	-	-	23	8
Total		662	15,974	17,860	34,496	16,795
Expenditure on:						
Raising funds	6	482	111	-	593	360
Charitable activities:						
Trust's educational operations	6	20	15,042	1,117	16,179	13,173
Teaching School	25	18	64	-	82	51
Other		-	-	-	-	-
Total		520	15,217	1,117	16,854	13,584
Net income/(expenditure)		142	757	16,743	17,642	3,211
Transfers between funds	16	(60)	(589)	649	-	-
Other recognised gains/(losses):						
Actuarial gain on defined benefit pension scheme	22	-	(1,954)	-	(1,954)	733
Net movement in funds		82	(1,786)	17,392	15,688	3,944
Reconciliation of funds						
Total funds brought forward		678	(844)	34,636	34,470	30,526
Total funds carried forward		760	(2,630)	52,028	50,158	34,470

New Collaborative Learning Trust

Balance Sheet as at 31 August 2019

Company Number 09257194

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	11	<u>53,484</u>	<u>36,951</u>
Current assets			
Stock		15	13
Debtors	12	1,090	476
Cash at bank and in hand		<u>3,560</u>	<u>2,712</u>
		4,665	3,201
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(1,995)</u>	<u>(1,885)</u>
Net current assets		<u>2,670</u>	<u>1,316</u>
Total assets less current liabilities		56,154	38,267
Creditors: Amounts falling due after more than one year	14	<u>(1,554)</u>	<u>(1,824)</u>
Net assets excluding pension liability		54,600	36,443
Defined benefit pension scheme liability	22	<u>(4,442)</u>	<u>(1,973)</u>
Total net assets		<u>50,158</u>	<u>34,470</u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	16	52,028	34,636
General fund	16	1,812	1,129
Pension reserve	16	<u>(4,442)</u>	<u>(1,973)</u>
Total restricted funds		49,398	33,792
Unrestricted funds	16	<u>760</u>	<u>678</u>
Total funds		<u>50,158</u>	<u>34,470</u>

The financial statements on pages 21 to 40 were approved by the trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:

D.H. Heritage

.....
Diane Heritage
Trustee

New Collaborative Learning Trust

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £000	2018 £000
Cash flow from operating activities			
Net income for the year (as per the statement of financial activities)		17,642	3,211
Adjusted for:			
Depreciation	11	1,117	1,066
Capital grants from DfE and other capital income receivable	2	(17,860)	(3,041)
Interest receivable	5	(23)	(8)
Defined benefit pension scheme cost less contributions payable	22	464	222
Defined benefit pension scheme finance cost	22	51	57
Interest payable	6	27	21
(Increase)/decrease in stocks		(2)	(1)
(Increase)/decrease in debtors		(55)	(203)
Increase/(decrease) in creditors due within one year		(386)	(272)
Net cash provided by Operating Activities		975	1,052
Cash flows from investing activities			
Investment income received		23	8
Purchase of tangible fixed assets		(680)	(6,971)
Capital grants received from DfE/ESFA		827	6,298
		170	(665)
Cash flows from financing activities			
Repayments of borrowing		(297)	(239)
		(297)	(239)
Change in cash and cash equivalents in the year		848	148
Cash and cash equivalents at 1 September		2,712	2,564
Cash and cash equivalents at 31 August		3,560	2,712

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of the charitable company, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the charitable company has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is entitlement 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 in the restricted fixed asset fund.

The academy trust is benefitting from the ESFA's Free School Building Programme. The funding from the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through ownership, lease or licence) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

1 Statement of accounting policies (continued)

Income (continued)

the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer on conversion

Where assets and liabilities are received by the trust on conversion to an academy, 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. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Donated fixed assets (excluding transfers on conversion)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies. In particular:

- In the year to 31 August 2017 the trust took up a leasehold, granted by the Secretary of State for Communities and Local Government on the New College Doncaster site for 125 years at £nil cost. The transfer value per the Land Registry was £350,000. The lease is amortised over 125 years from 1 September 2017 when New College Doncaster opened.
- In the year to 31 August 2019 the trust took up a leasehold, granted by the Secretary of State for Communities and Local Government on the New College Bradford site for 125 years at £nil cost. The transfer value per the Land Registry was £460,000. The lease is amortised over 125 years from 1 September 2019 when New College Bradford opened.

Expenditure

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

Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

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

Freehold buildings	2% pa
Long leasehold land	Life of the lease
Computer hardware	20% pa
Other fixtures, fittings and equipment (including motor vehicles)	20% pa

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

The categories of fixed assets used are the same as prescribed in the Academies Accounts Direction 2016 to 2017 not the categories prescribed in the AAD 2018 to 2019 as this will provide information that is more useful to readers of the accounts. Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Coal and paper stocks and unsold student sales items are valued at the lower of cost or net realisable value.

Taxation

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

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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions 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

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Notes to the Financial Statements for the year ended 31 August 2019

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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the 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 trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

Critical accounting estimates and 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.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	£000	£000	£000	£000	£000
Capital grants	-	-	17,400	17,400	3,041
Donated fixed assets	-	-	460	460	-
Other donations	80	111	-	191	167
	80	111	17,860	18,051	3,208
2018 total	44	123	3,041	3,208	

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Notes to the Financial Statements for the year ended 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants					
ESFA Main allocation					
Based on student numbers	-	13,998	-	13,998	11,766
Post opening grants	-	252	-	252	333
Teachers pay grants	-	146	-	146	-
Rates rebate	-	68	-	68	49
	-	14,464	-	14,464	12,148
NCB Project development grant	-	169	-	169	51
SSIF grant	-	147	-	147	163
Other DfE group grants	20	-	-	20	16
	20	14,780	-	14,800	12,378
Other Government grants					
Local authority grants	-	101	-	101	126
Other income from the academy trust's educational operations	2	-	-	2	2
	22	14,881	-	14,903	12,506
2018 total	17	12,489	-	12,506	

4 Other trading activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total 2019 £000	Total 2018 £000
Students trips/sales income	224	-	-	224	161
Bus pass income	242	-	-	242	187
Catering income	-	824	-	824	575
Other income	53	94	-	147	99
	519	918	-	1,437	1,022
2018 total	376	646	-	1,022	

5 Investment income

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Bank current account	23	-	-	23	8
2018 total	8	-	-	8	

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6 Expenditure

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds:					
Direct costs					
Direct staff costs	-	34	-	34	-
Other direct costs	4	74	-	78	172
	4	108	-	112	172
Allocated support costs					
Support staff costs	2	-	-	2	1
Other costs	476	3	-	479	187
	478	3	-	481	188
Trust's educational operations:					
Direct costs					
Direct staff costs	-	8,597	-	8,597	6,667
Depreciation	-	-	1,066	1,066	1,015
Educational supplies	-	234	-	234	308
Technology costs	-	253	-	253	170
Other direct costs	-	631	-	631	621
	-	9,715	1,066	10,781	8,781
Allocated support costs					
Support staff costs	20	2,164	-	2,184	1,621
Depreciation	-	-	51	51	51
Premises costs	-	734	-	734	624
Technology costs	-	115	-	115	149
Loan interest payable	-	27	-	27	21
Other support costs	-	2,258	-	2,258	1,909
Governance costs	-	29	-	29	17
	20	5,327	51	5,398	4,392
Teaching School expenditure:					
Direct costs					
Direct staff costs	5	30	-	35	34
Other direct costs	10	20	-	30	-
	15	50	-	65	34
Allocated support costs					
Support staff costs	3	14	-	17	8
Other support costs	-	-	-	-	9
	3	14	-	17	17
Total expenditure	520	15,217	1,117	16,854	13,584
Staff costs	30	10,839	-	10,869	8,331
Premises costs	-	734	-	734	624
Other costs	490	3,644	1,117	5,251	4,629
	520	15,217	1,117	16,854	13,584
2018 total	417	12,101	1,066	13,584	
Net income/(expenditure) for the year includes:					
Operating lease rentals				58	43
Fees payable to auditor for:					
- audit				15	12
- other services				1	2

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Notes to the Financial Statements for the year ended 31 August 2019

7 Staff

a. Staff costs

Staff costs during the period were:

	2019	2018
	£000	£000
Wages and salaries	8,268	6,479
Social security costs	837	647
Operating costs of defined benefit pension schemes	1,707	1,205
	<u>10,812</u>	<u>8,331</u>
Agency staff costs	57	51
Staff restructuring costs	-	-
	<u>10,869</u>	<u>8,382</u>

b. Non statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual severance payments in the year.

c. Staff numbers

The average number of persons (including key management personnel) employed by the trust during the year was as follows:

	2019	2019	2018
	FTEs	Number	Number
Teachers	139	158	121
Administration and support	88	129	109
Management	6	6	6
	<u>233</u>	<u>293</u>	<u>236</u>

d. Higher paid staff

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

	2019	2018
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£130,001 - £140,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits received by key management personnel for their services to the academy trust was as follows:

	2019	2018
	£000	£000
Salaries and benefits in kind	563	539
Employer's national insurance	71	67
Employer's pension contribution	89	86
	<u>723</u>	<u>692</u>

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Notes to the Financial Statements for the year ended 31 August 2019

8 Related Party Transactions – Trustees' remuneration and expenses

Only one trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The chief executive officer only receives remuneration in respect of services she provides undertaking the role of chief executive officer of the trust under her contract of employment.

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

P Hagen, OBE (principal, chief executive and trustee):

Remuneration £130,000 - £135,000 (2018: £130,000 - £135,000)

Employer's pension contributions paid £20,000 - £25,000 (2018: £20,000 - £25,000)

During the year travel and subsistence expenses totalling £971 were reimbursed or paid directly to 2 trustees (2018 £1,613 to 2 trustees)

9 Trustees and officers insurance

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall insurance cost.

10 Central Services

The academy trust also provided the following central services to New College Pontefract, New College Doncaster and setting up New College Bradford during the year:

- Human resources
- Financial services
- Other administration services and management support

Staff time of £62,698 (2018 £39,550) has been charged to New College Bradford. All other expenditure incurred and income generated by the trust has been allocated to the academies on the following basis, based on student numbers in each academy at the start of the academic year:

	<u>Percentage</u>	<u>Amount</u>
New College Pontefract	70%	£1,219,093
New College Doncaster	30%	£522,468

11 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land £000	Assets in the course of construction £000	Computer Hardware £000	Other Equipment £000	Total £000
Cost						
At 1 September 2018	35,934	350	-	1,545	296	38,125
Additions – NCD/NCB build	-	460	16,014	708	-	17,182
Additions – other	205	-	-	263	-	468
Disposals	-	-	-	-	-	-
At 31 August 2019	36,139	810	16,014	2,516	296	55,775
Depreciation						
At 1 September 2018	769	3	-	333	69	1,174
Charged in year	693	3	-	362	59	1,117
Disposals	-	-	-	-	-	-
At 31 August 2019	1,462	6	-	695	128	2,291
Net book values						
At 31 August 2018	35,165	347	-	1,212	227	36,951
At 31 August 2019	34,677	804	16,014	1,821	168	53,484

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

12 Debtors

	2019 £000	2018 £000
Trade debtors	21	18
VAT recoverable	229	236
Capital grant due from ESFA	618	59
Other debtors	176	146
Prepayments and accrued income	46	17
	<u>1,090</u>	<u>476</u>

13 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	481	214
Other taxation and social security	-	161
ESFA restructuring loan	270	270
Amount re building new Free School	413	288
Deferred income	518	675
Other creditors	223	232
Accruals	90	45
	<u>1,995</u>	<u>1,885</u>

Deferred income

	2019 £000	2018 £000
Deferred income at 1 September 2018	675	373
Released from previous years	(516)	(373)
Resources deferred in the year	359	675
Deferred Income at 31 August 2019	<u>518</u>	<u>675</u>

At the balance sheet date the academy trust was holding:

- funds received in advance for student bus passes and administration fees in relation to the 2019/20 academic year
- grants to be matched against future expenditure
- catering profit share received in cash in advance that may need to be repaid if the catering contractors wish to withdraw from the contract before the end of the contract term

14 Creditors: amounts falling due in greater than one year

	2019 £000	2018 £000
ESFA restructuring loan	<u>1,554</u>	<u>1,824</u>

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Notes to the Financial Statements for the year ended 31 August 2019

15 ESFA restructuring loan

The Education and Skills Funding Agency made a loan of £2,399,780 to New College Pontefract on 16 May 2017 to enable it to repay bank loans outstanding at that date together with the break costs charged by the bank. The loan is repayable over 9 years and if the loan is settled earlier, no break costs will be charged by the funding agency. The current Public Works Loan Board 6-month variable interest rate, which is set by Her Majesty's Treasury, will apply to the loan. The initial interest rate was 0.87% and the rate is subject to a review which will take place every six months from 31 May 2017. The interest rate was changed to 1.19% with effect from 1 June 2018, to 1.45% with effect from 1 December 2018, and to 1.42% with effect from 1 June 2019.

The loan is repayable as follows:

	2019 £000	2018 £000
In one year or less	270	270
Between one and two years	270	270
Between two and five years	810	810
In five years or more	474	744
	1,824	2,094

16 Funds

	Balance at 1 Sept 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 Aug 2019 £000
Restricted general funds					
ESFA main allocation	1,129	14,464	(13,192)	(589)	1,812
Project Development Grant (NCB)	-	169	(169)	-	-
SSIF	-	147	(147)	-	-
Teaching School	-	64	(64)	-	-
Other donations/grants	-	111	(111)	-	-
Other income/expenditure	-	1,019	(1,019)	-	-
Pension reserve	(1,973)	-	(515)	(1,954)	(4,442)
	(844)	15,974	(15,217)	(2,543)	(2,630)
Restricted fixed asset funds					
Transfer on conversion - assets	16,643	-	(428)	-	16,215
Transfer on conversion - loan	(2,094)	-	-	270	(1,824)
ESFA Capital grant not yet receivable	(287)	287	-	-	-
ESFA Capital grant re NCD build	19,456	17	(549)	(17)	18,907
ESFA Capital grant re NCB build	-	16,722	-	-	16,722
Donation re NCD land	347	-	(3)	-	344
Donation re NCB land	-	460	-	-	460
Devolved capital grant	66	368	-	(66)	368
Capital exp from recurrent funding	310	-	(125)	462	647
Private sector capital sponsorship	195	6	(12)	-	189
	34,636	17,860	(1,117)	649	52,028
Total restricted funds	33,792	33,834	(16,334)	(1,894)	49,398
Total unrestricted funds	678	662	(520)	(60)	760
Total funds	34,470	34,496	(16,854)	(1,954)	50,158

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

The project development grant for New College Bradford is an ESFA grant to fund the setting up of the new free school.

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

16 Funds (continued)

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

	Balance at 1 Sept 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 Aug 2018 £000
Restricted general funds					
ESFA main allocation	165	12,148	(10,639)	(545)	1,129
Project Development Grant (NCB)	27	51	(78)	-	-
SSIF	-	163	(163)	-	-
Teaching School	-	46	(46)	-	-
Other donations/grants	-	249	(249)	-	-
Other income/expenditure	-	647	(647)	-	-
Pension reserve	(2,427)	-	(279)	733	(1,937)
	(2,235)	13,304	(12,101)	188	(844)
Restricted fixed asset funds					
Transfer on conversion - assets	17,070	-	(427)	-	16,643
Transfer on conversion - loan	(2,314)	-	-	220	(2,094)
ESFA Capital grant not yet receivable	-	(287)	-	-	(287)
ESFA Capital grant re NCD build	16,759	3,246	(549)	-	19,456
ESFA Capital grant re revenue items	-	38	-	(38)	-
Donation re NCD land	350	-	(3)	-	347
Devolved capital grant	66	-	-	-	66
Capital exp from recurrent funding	53	-	(75)	332	310
Private sector capital sponsorship	132	44	(12)	31	195
	32,116	3,041	(1,066)	545	34,636
Total restricted funds	29,881	16,345	(13,167)	733	33,792
Total unrestricted funds	645	450	(417)	-	678
Total funds	30,526	16,795	(13,584)	733	34,470

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Income £000	Expend £000	Recharge (note 10) £000	Transfers /gains £000	Balance 2019 £000	Balance 2018 £000
New College Bradford	169	(193)	-	-	(24)	-
New College Doncaster	4,817	(3,765)	(523)	(23)	715	209
New College Pontefract	11,626	(9,498)	(1,219)	(626)	1,881	1,598
Central services	24	(1,766)	1,742	-	-	-
Total before fixed assets and pension reserve	16,636	(15,222)	-	(649)	2,572	1,807
Pension reserve	-	(515)	-	(1,954)	(4,442)	(1,973)
Restricted fixed asset fund	17,860	(1,117)	-	649	52,028	34,636
Total	34,496	(16,854)	-	(1,954)	50,158	34,470

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

16 Funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Direct Staff costs £000	Support Staff costs £000	Educ. Supplies £000	Other costs (excluding depn) £000	Total 2019 £000	Total 2018 £000
New College Bradford	71	39	-	83	193	81
New College Doncaster	2,429	197	63	1,076	3,765	2,301
New College Pontefract	5,661	338	171	3,328	9,498	9,694
Central Services	505	1,165	-	96	1,766	163
	8,666	1,739	234	4,583	15,222	12,239
Pension reserve	-	464	-	51	515	279
	8,666	2,203	234	4,634	15,737	12,518

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000	Total Funds 2018 £000
Tangible fixed assets	-	-	53,484	53,484	36,951
Current assets	1,178	2,706	781	4,665	3,201
Current liabilities	(418)	(894)	(683)	(1,995)	(1,885)
Non-current liabilities	-	-	(1,554)	(1,554)	(1,824)
Pension scheme liability	-	(4,442)	-	(4,442)	(1,973)
Total net assets	760	(2,630)	52,028	50,158	34,470
2018 total	678	(844)	34,636	34,470	

18 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	-

19 Commitments under operating leases

Operating leases

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

	2019 £000	2018 £000
Amounts due within one year	77	2
Amounts due between one and five years	204	7
Amounts due after five years	-	-
	281	9

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Notes to the Financial Statements for the year ended 31 August 2019

20 Contingent liabilities

The catering contract for the trust for the five years from 1 September 2017 is based on assumed income over the period includes funding of £292,259 to develop facilities at New College Pontefract and New College Doncaster at the start of the contract. If the sales targets are not met and the catering contractors wish to withdraw from the contract, the trust will need to refund a proportion of the cost to the catering company.

21 Members liability

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

22 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by City of Bradford Local Authority. Both are multi-employer defined benefit schemes. The trust had no employees until 1 June 2017 at which date the employees of New College Pontefract were transferred to the trust under TUPE arrangements.

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 were payable to the schemes at 31 August 2019 (2018: £28,243) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £930,000 (2018: £716,000).

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Notes to the Financial Statements for the year ended 31 August 2019

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £437,000 (2018: £360,000), of which employer's contributions totalled £307,000 (2018: £267,000) and employees' contributions totalled £130,000 (2018: £93,000).

The contribution rates are currently 14.0% for employer and range from 5.5% to 12.5% 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 trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Valuation of the Local Government Pension Scheme

The latest actuarial valuation of the College's liabilities took place as at 31 March 2016. As for the previous valuation, the past service liabilities have been calculated using the Projected Unit Method. This method, with a one year control period, has also been used to calculate the cost of future benefits building up for employers who still permit new employees to join the Fund. The costs of providing the cash sum on death in service in the period since the previous valuation have been pooled across all employers in the Fund.

At 31 March 2016 the shortfall of assets relative to the past service liabilities was £743.3m, which corresponds to a funding ratio of 94%. The aggregate employer future service contribution rate in respect of the benefits provided by the 2014 scheme is 16.2% of pensionable pay. The aggregate employer contribution rate required to restore the funding ratio to 100% using a recovery period of 22 years from 1 April 2017, is 18.6% of pensionable pay (if the membership remains broadly stable and pay increases are in line with our assumptions). The comparable figure, at the previous valuation was 16.0% of pensionable pay.

The contribution rate for each employer takes into account their particular membership profile and funding ratio, and the assumptions and recovery periods appropriate to their circumstances. For New College Pontefract the contribution rate, based on a recovery period of 22 years, is set at 14.0% pa for the three years from 1 April 2017 (previously 13.8%) with the following additional monetary amounts being payable as follows:

year commencing 1 April 2017:	£21,200	(paid September 2017)
year commencing 1 April 2018:	£21,900	(paid July 2018)
year commencing 1 April 2019:	£22,600	(paid April 2019)

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.35%	3.25%
Rate of increase for pensions in payment/inflation	2.10%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.10%	2.00%
Inflation assumption (RPI)	3.10%	3.10%

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 2019	At 31 August 2018
<i>Aged 65 at accounting date</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Aged 45 at accounting date</i>		
Males	23.2	23.1
Females	27.2	27.1

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Sensitivity analysis – Present value of total obligation

	At 31 August 2019	At 31 August 2018
	£000	£000
Rate of increase in salaries +0.1%	(58)	(40)
Rate of increase in salaries -0.1%	58	40
Rate of increase to pensions in payment +0.1%	(199)	(145)
Rate of increase to pensions in payment -0.1%	196	142
Discount rate +0.1%	253	182
Discount rate -0.1%	(258)	(186)
Mortality assumption – 1 year increase	(398)	(250)
Mortality assumption – 1 year decrease	394	249

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2019	Fair value at 31 August 2018
	£000	£000
Equity instruments	5,818	4,938
Property	330	278
Government bonds	788	715
Corporate bonds	338	232
Cash	143	145
Other	83	311
Total market value of assets	7,500	6,619

The actual return on scheme assets was £467,000 (2018: £484,000).

Amount recognised in the statement of financial activities

Pension expense	2019	2018
	£000	£000
Current service cost	(541)	(469)
Past service cost	(230)	-
	(771)	(469)
Net interest cost	(51)	(57)
Total operating charge	(822)	(526)

Amount recognised in the statement of financial activities

Other comprehensive income	2019	2018
	£000	£000
Asset gains/losses during the year	276	335
Actuarial gains/(losses) due to changes in financial assumptions	(2,189)	530
Actuarial gains/(losses) due to liability experience	(41)	(132)
	(1,954)	733

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019	2018
	£000	£000
At 1 September	8,592	8,170
Current service cost	541	469
Interest cost	242	206
Employee contributions	130	101
Actuarial (gain)/loss due to changes in financial assumptions	2,189	(530)
Actuarial (gain)/loss due to liability experience	41	132
Benefits paid	(23)	44
Past service cost	230	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	11,942	8,592

Changes in the fair value of academy's share of scheme assets:

	2019	2018
	£000	£000
At 1 September	6,619	5,743
Interest income	191	149
Return on plan assets (excl net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	276	335
Employer contributions	307	247
Employee contributions	130	101
Benefits paid	(23)	44
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	7,500	6,619

Reconciliation of funded status to balance sheet:

	2019	2018
	£000	£000
Fair value of assets	7,500	6,619
Present value of funded defined benefit obligation	(11,942)	(8,592)
At 31 August	(4,442)	(1,973)

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 8.

M Hewitt and T Hewitt, children of P Hagen, Chief Executive and trustee (to 31 October 2019), are employed by the academy trust as teachers. Their appointments were made in open competition and P Hagen was not involved in the decision making process regarding appointment. M Hewitt and T Hewitt are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to a trustee.

New Collaborative Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA.

	2019 £000	2018 £000
Funding body grants – bursary and free meals	418	337
Disbursements to students	(381)	(280)
Provision of free meals	(33)	(23)
Administration costs	(20)	(16)
	(434)	(319)
	(16)	18
Unspent at 1 September	96	78
Unspent at 31 August, included in creditors	80	96

25 Teaching School trading account

	2019 £000	2018 £000
Income		
Direct income	45	46
Other income	37	5
	82	51
Expenditure		
Direct costs		
Direct staff costs	(35)	(36)
Other costs	(30)	-
	(65)	(36)
Other costs		
Support staff costs	(17)	(8)
Other support costs	-	(7)
	(17)	(15)
Surplus/(Deficit) from all sources	-	-
Teaching School balances at 1 September	-	-
Teaching School balance at 31 August	-	-

26 Events after the end of the reporting period

The new free 16-19 school, New College Bradford, opened in September 2019. Land was purchased by the Secretary of State for Communities and Local Government and a lease granted to New Collaborative Learning Trust and building work was funded directly by ESFA.