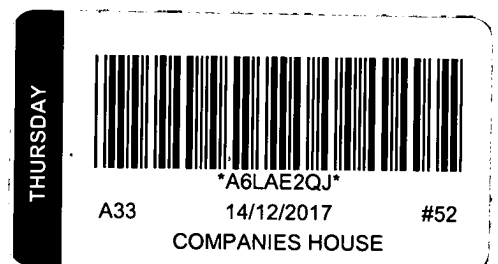


Company Registration No. 07708890 (England and Wales)

**NEW RIVER TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



# **NEW RIVER TRUST**

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# NEW RIVER TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

J Beer (Appointed 1 January 2017)  
S Gold (Appointed 1 January 2017)  
M McKenzie (Accounting Officer) (Appointed 1 January 2017)  
L Pinnick (Appointed 1 January 2017)  
J Scott (Appointed 1 January 2017)  
R Wells (Chair of governors) (Appointed 1 January 2017)

### Members

S Daley (from 1 February 2017)  
S Gold  
E Goldby (until 25 July 2017)  
L Pinnick (until 31 January 2017)  
J Scott (until 31 January 2017)  
G Wyse (from 1 February 2017)  
R Wells

### Alexandra Park School Governors

J Beer	(term of office ended 31 December 2016)
S Burke	(term of office ended 30 August 2017)
J Butler	(resigned 1 June 2017)
A Callander	(term of office ends 2 October 2017)
S Gold	(term of office ended 31 December 2016)
E Goldby	(term of office ended 25 July 2017)
L Hamlin	(term of office ends 14 July 2019)
K Harrison	(term of office ends 22 March 2019)
L Jones	(term of office ends 22 March 2019)
M McKenzie	Headteacher
L Pinnick (Joint Vice Chair)	(term of office ended 30 December 2016)
N Richardson	(term of office ends 30 June 2020)
N Scott	(term of office ends 27 June 2018)
J Scott (Joint Vice-Chair)	(term of office ended 31 December 2016)
R Wells (Chair)	(term of office ended 31 December 2016)

### Senior leadership team

M McKenzie	- Headteacher
I Felfeli	- DHT, Performance and Development
R O'Riordan-Fennessy	- DHT, Pastoral
D Silverman	- DHT, Curriculum and Standards
J Chadwick	- AHT, Director of KS4
K Perry	- AHT, Inclusion & Pathways
SJ Starkie	- AHT, Director of Sixth Form
G Stratis	- AHT, Teaching & Learning
T Ware	- AHT, Standards & Assessment

Company registration number 07708890 (England and Wales)

# NEW RIVER TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Registered office</b>	Alexandra Park School Bidwell Gardens London N11 2AZ
<b>Independent auditor</b>	Wilkins Kennedy LLP 5 Yeomans Court Ware Road Hertford Hertfordshire SG13 7HJ
<b>Bankers</b>	Lloyds TSB Bank Plc Silver Street PO Box 1000 BX1 1LT
<b>Investment advisors</b>	CCLA Investment Management Limited COIF Charity Funds Senator House 85 Queen Victoria Street London EC4V 4ET

# **NEW RIVER TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2017***

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The trustees present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Haringey It has a pupil capacity of 1290 and had a roll of 1589 in the school census on 01 October 2016.

#### **Structure, governance and management**

##### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trust was incorporated on 18 August 2011, obtaining single academy status from 1 October 2011 and multi-academy status from 1 January 2017.

On 12 September 2016 the Trust changed its name from Alexandra Park School to New River Trust. On 1 January 2017, it became a multi-academy trust, known as the New River Trust.

Six Governors from Alexandra Park School were appointed as Trustees of New River Academy Trust on 1 January 2017. They are also the Directors of the charitable company for the purposes of company law.

Details of those who served as Trustees and Governors of Alexandra Park School during the year are included in the Reference and Administrative Details on page 1.

##### **Principal Activities**

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

##### **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**

The governors are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 10 to the accounts the limit of the indemnity is £10,000,000.

# **NEW RIVER TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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

As set out in its Articles of Association, the number of Trustees shall be not less than 3 and up to 10, appointed under Article 50 of the Articles. The Chief Executive Officer shall be a Trustee, appointed pursuant to Article 57. The Trustees are appointed by the Members on the basis of the range and skills they are able to bring to the Trust and an annual skills audit is conducted to ensure that any knowledge gaps are addressed. Trustees are appointed for a period of office determined by the Members. The DfE framework for effective governance is used to map required skills at Board level and inform succession planning. Trustee succession planning is a standing agenda item at all Trustee meetings and Trustees are asked to lead succession planning for their area (s) of expertise.

Trustee candidates can come from a variety of sources and often start as Local Governors. Local Governors are recruited via the school website, through advertising on community networks such as local social media groups and through Governors' own networks. Additionally, Directors of Studies are asked to nominate parents and carers whom they consider strong candidates for the role of Local Governor.

The Trust has established a Local Governors' Advisory Group (LGAG) for Alexandra Park School which includes 2 elected Parent Local Governors and 2 Staff Local Governors. Local Governors, whether appointed or elected, serve for a period of 2 years, other than the Headteacher to whom this limit does not apply. When appointing new Local Governors, the Trustees will give consideration to the range of skills and experience within the existing membership in order to ensure that the LGAG has the necessary skills to contribute fully to the development of Alexandra Park School.

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

The training and induction provided for new Local Governors/Trustees will depend upon their existing experience but will always include an induction meeting with the Chair and Clerk. Local Governors will always have a tour of Alexandra Park School and a chance to meet staff and pupils.

All Local Governors/Trustees are provided with copies of, or links to, essential policies and procedures, agendas and minutes, strategic documents, including those relating to financial planning and performance, and the NRT Scheme of Delegation. The Scheme is reviewed annually and includes details of the statutory framework under which the Trust operates, the roles and responsibilities of the Board of Trustees, the Resources Committee and the Local Governors' Advisory Group and their Terms of Reference. There is an annual planning and development event, that includes presentations aimed at keeping Governors/Trustees updated on relevant developments that impact on their roles and responsibilities. Local Governors and Trustees receive training and/or updating presentations or sessions in advance of meetings. External training is undertaken as required

# **NEW RIVER TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### Organisational structure

The Board of Academy Trustees meets at least once a term. It has established an overall framework for the governance of the Trust and has established a Resources Committee and, for Alexandra Park School (currently the single school within the Academy Trust), a Local Governors' Advisory Group (LGAG). It has determined membership, terms of reference and delegated responsibilities and procedures for the Resources Committee and the LGAG. It receives minutes and reports, including policies, from the Resources Committee for consideration and/or ratification and receives the minutes of the LGAG. A Trustee currently acts as Chair of the LGAG.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its Committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Headteacher and Clerk to the Governors; to approve the APS School Development Plan (SDP) on the recommendation of the LGAG; and, on the recommendation of the Resources Committee, the Budget and Year-End Financial Statements. The Board of Trustees has devolved responsibility for the day-to-day management of Alexandra Park School to the Headteacher and Senior Leadership Team (SLT). The SLT consists of the Headteacher, 3 Deputy Headteachers and 5 Assistant Headteachers. The Headteacher is also the CEO of the Trust.

The Headteacher, one Deputy Headteacher, the Finance Director and the Resources Committee are responsible for the authorisation of spending within agreed budgets as summarised in the Scheme of Delegation approved by the Board. Some spending control is devolved to budget holders in line with the Trust's Scheme of Delegation. The Headteacher is responsible for the appointment of staff at Alexandra Park School.

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

The Trust CEO is appointed by the Board which also carries out an annual performance review and determines salary arrangements. Key management personnel comprise: the Headteacher; Deputy Heads and Assistant Heads. The Pay Committee determines the salary arrangements for the Headteacher. The Personnel Committee approves the arrangements for the pay of the Deputy and Assistant Headteachers on the basis of recommendations from the Headteacher and in line with national pay and conditions.

#### Related parties and other connected charities and organisations

The Trust, through Alexandra Park School, is also a National Teaching School, the New River Teaching Alliance (NRTA). In that role it has entered into a non-profit making partnership, through a memorandum of understanding, with secondary schools in Haringey, the Haringey Sixth Form Centre and an academy in Barnet. It has identified the London Borough of Haringey, Fortismere School and Woodside School as its key NRTA strategic partners. Working with its strategic partners, it leads on the delivery of the Government's agenda for teaching alliances.

#### **Objectives and activities**

##### Objects and aims

The Board of Trustees' overall aim is to ensure it delivers its charitable objects, as set out in its Articles of Association. It is committed to the principle of providing an accessible, broad and attainable curriculum for all pupils regardless of ability, race, religion, gender, ethnicity, colour, sexuality or class. It has articulated how it will achieve its key aim of "Success for All" in the Alexandra Park School Development Plan (SDP) as follows:

"Our aim is to develop a whole school ethos of aspiration and success with structures in place to challenge and support all individuals. If we are successful we will have created an evolving learning environment, which is vibrant, stimulating and contemporary and where all participants feel valued because they understand the part they play in the experience".

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Objectives, strategies and activities

Objectives, strategies and activities are set out in the SDP for Alexandra Park School, having been determined in the context of the Trust priorities and the challenges and opportunities arising from national changes in education policy and funding. In 2017-18, these include the following:

- Continue to meet the demands of curriculum change at all key stages
- Manage transition to a mixed AS/A2 delivery in Y12
- Develop cross-curricular support to develop skills and prepare students for more demanding public examinations (values, literacy, numeracy).
- Embed values into schemes of work and classroom practice
- Work with the London Enterprise Adviser Network to develop a more effective work experience provision at APS
- Review / revise system for setting targets for KS3 and 4 and tracking system
- Develop the school's CPD model to facilitate and encourage provision for staff from other schools
- Improve the service and experience for students in the canteen
- Upgrade the school's network Infrastructure
- Use the Teaching School Alliance to establish departments of excellence
- Lead science CPD for Haringey, Barnet and Enfield, and develop STEAM provision within partner schools via the Science Learning Partnership

#### Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

For the benefit of the inhabitants of North London and the surrounding area, the Trust promotes the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and, similarly, for the public at large in the interests of social welfare and with the object of improving the condition of life of the aid inhabitants.

The London Borough of Haringey manages the admissions process for the Trust. Children with a statement of Special Educational Needs which named Alexandra Park School were admitted in accordance with Section 324 of the Education Act 1996.

Criteria for admissions in 2017-2018 were as follows:

Children in Care

Social/Medical needs

Brother or sister already attending the school

Children of Staff

Distance from the school

Tie breaker - children living closest to the school



# **NEW RIVER TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Strategic report**

#### **Achievements and performance**

The Trust teaches young people from the age of 11-18. Sixth Form students at Alexandra Park School achieved a 100% pass rate at A level in 2016-2017, with 87% of students achieving A\*-C grades; 65% achieving A\*-B grades; and 37% achieving A\*-A. Some GCSEs were graded numerically for the first time in 2016-2017. The Academy Trust's performance in at the new "4+" English and Maths" grades (previously known as Grade C or above) was 84%. The figure for "5+" (old Grade B or above) is 64%. In all, 77 of the school's cohort of 200 students achieved the top "5+", grades with 1 in 5 of them achieving 10 or more top grades.

The Trust achieved a number of awards or kitemarks, reflecting its commitment to excellence in education. Amongst these was the award of Outstanding Music Teacher to the Head of Music at Alexandra Park School; the school being placed in the 2017 Sunday Times' top 20 non-selective top schools for its A level performance; and the award of Confucius Classroom Status for its Mandarin Excellence Programme.

Alexandra Park School is heavily oversubscribed. It received 1849 applications for the 232 places available in Year 7 in September 2017.

The Trust met all of its objectives for 2016-17. Achievements and performance were, exceeding targets. In reviewing its achievement and performance, the Trust concluded that its proactive policy of retaining skilled and experienced staff through a focused CPD programme and support with the emphasis on self-reflection had impacted effectively. Throughout the period under review, staff displayed high levels of autonomy and confidence in the classroom and teaching was innovative and creative.

#### Key performance indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016- 2017 were 1589, an increase of 127 over 2015-2016.

Another key financial performance indicator is staffing costs as a percentage of total income and in the 2016-2017 year, the Trust set an indicator that staff costs should be no more than 80% of total income.

All financial performance indicators set by the Board of Trustees for this period were met. These were:

- to maintain an operating surplus to support the strategic development of the school;
  - to have at least 45 cash days in hand as working balances;
  - to have a current ratio of at least 1:1 for current assets relative to current liabilities.
- to diversify income streams by increasing the proportion of total income represented by non-core EFSA funding and grants.

#### Going concern

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

# **NEW RIVER TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Financial review**

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2017, total expenditure of £10,703 (2016: £10,383K) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £307k (2016: 176k). This excludes the gain on investments of £163k (2016: £138K).

At 31 August 2017 the net book value of fixed assets was £21,303k (2016: £20,244k). Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of Alexandra Park School.

The London Borough of Haringey Pension Fund, in which the Trust participates, showed a deficit of £1,531k (2016: £3,286k) at 31 August 2017. Of this sum, £1,015k was inherited by Alexandra Park School from the London Borough of Haringey on 1 October 2011, the date the local authority's staff transferred to employment with the Trust.

#### **Reserves policy**

The Board of Trustees reviews its reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, which is approximately £800k (2016: £800k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves of £2,734k (2016: £2,920k) (total funds less the amount held in fixed assets and restricted funds) is greater than is needed and appropriate capital investment plans are under active consideration. In light of the Government freeze on school budgets and the potential impact of introduction of a national funding formula, however, the school has determined that it is prudent to wait before committing to a specific capital plan before that date.

#### **Investment policy and powers**

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

#### **Financial Position**

The Trust held fund balances at 31 August 2017 of £22,560k (2016: £19,952) comprising £19,826k (2016: £17,032) of restricted funds and £2,734k (2016: £2,920k) of unrestricted general funds.

Of the restricted funds £21,303K (2016: £20,318k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £1,531k (2016: £3,286k) in deficit.

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Principal risks and uncertainties

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Trust faces, scoring and prioritising these in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating them. A Risk Register is maintained and reviewed on a regular basis. The Board has introduced systems, including operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains the Trust has ensured it has adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Trustees' Statement on page 10.

### Financial and Risk Management Objectives and Policies

The financial risks to which Trust is exposed relates primarily to greater decline than currently forecast in Government funding arising from further deterioration in the UK economy.

A risk also arises in relation to the defined benefit pension LGPS scheme due to the deficit as at 31 August 2017 of £1,531k (2016: £3,286k).

### Financial

- the Academy Trust has considerable reliance on continued Government funding. This is recognised as a principal risk because the Trust cannot assume that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

### Failures in governance and/or management

- the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks, including taking legal or specialist advice on key areas of relevant legislation.

### Reputational

- the continuing success of the Trust is dependent on attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees and Local Governors ensure that student success and achievement are rigorously monitored and reviewed. The number of applicants applying for admission to the Trust in 2017 was the highest number to date, with Alexandra Park School receiving the most first preferences of any Haringey school; the most second preferences; and the most third preferences.

### Safeguarding and Child Protection

- the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

# **NEW RIVER TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### Staffing

- the success of the Trust is reliant on the quality of its leadership and staff. The Trustees monitor and review policies and procedures to ensure continued development and training for all staff and approved the implementation of a new performance management system. The retention of the CEO is seen as key to the Trust's success. The start of the 2017-2018 academic year saw the Trust fully staffed in all areas.

#### Fraud and Mismanagement of Funds

- The Trust has contracted with an audit firm to provide internal audit service to carry out checks on financial systems and records following sector guidance.

All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. Strategic and operational risk registers are maintained, reviewed and updated by the Board and the Resources Committee.

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

Details of the Trust's plans for Alexandra Park School are set out in the Alexandra Park School Development Plan (SDP) which is available on the school's website or from the Clerk to the Board. The SDP is regularly monitored by the SLT and the LGAG, and reviewed by the Board of Trustees. It is amended annually by the SLT after consultation and input from staff and Local Governors. The curriculum priorities in the SDP are used to inform future budget priorities.

In summary, in 2017-2018 the Trust will:

- continue to strive to provide outstanding education and improve the levels of performance of its students at all levels;
- continue to aim to attract high quality teachers and support staff in order to deliver its objectives;
- continue to work with partner schools to improve the educational opportunities for students in the wider community;
- continue to develop its reputation as a leading provider of high quality teacher training placement

The decision to become a multi-academy trust was made in the context in particular of formalising the Trust's commitment to working with partners to improve educational opportunities for students in the wider community and this remains a key priority for the Trust.

#### **Funds held as custodian trustee on behalf of others**

During the year and in response to a request from the London Borough of Haringey (LBH) the academy has acted as an agent for the Network Learning Community (NLC). The NLC is a consortium of all primary schools located in the west of the LBH. The NLC meets regularly at Alexandra Park School to consider and co-ordinate improvement and support initiatives across its consortium schools. The Trust had a brought forward creditor balance of £70,540 relating to undistributed funds. During the year the Trust received an additional £25,000 which was added to the fund and disbursed £35,384 from the fund, which includes an administration fee of £2,000 payable to the academy. An amount of £60,156 is included in other creditors relating to undistributed funds.

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Auditor**

In so far as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the  
company directors, on ~~5.11.2017~~ 5.11.2017 and signed on its behalf by:

*R Wells*.....

R Wells

**Chair of governors**

# **NEW RIVER TRUST**

## **GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **Scope of responsibility**

As Trustees we acknowledge we have overall responsibility for ensuring that New River 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 Chief Executive, 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 River 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.

# NEW RIVER TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board met 5 times during the year. Attendance at meetings of the Governing Body of Alexandra Park School (2 meetings) was 75% and for the Board of Trustees (3 meetings) it was 90%.

Trustees	Meetings attended	Out of possible
J Beer (Appointed 1 January 2017)	0	2
S Gold (Appointed 1 January 2017)	1	2
M McKenzie (Accounting Officer) (Appointed 1 January 2017)	2	2
L Pinnick (Appointed 1 January 2017)	1	2
J Scott (Appointed 1 January 2017)	1	2
R Wells (Chair of governors) (Appointed 1 January 2017)	2	2

Governors (Sept-Dec 2016)	Meetings attended	Out of possible
J Beer	0	2
S Burke	1	2
A Callender	2	2
S Gold	1	2
E Goldby	2	2
M McKenzie (Headteacher)	2	2
L Pinnick	1	2
N Scott	1	2
J Scott	1	2
R Wells (Chair)	2	2
J Butler	2	2
L Hamlin	2	2
K Harrison	2	2
L Jones	2	2

The Board of Trustees has established a Resources Committee and, for Alexandra Park School, a Local Governors' Advisory Group (LGAG).

The Resources Committee meets at least 5 times a year to determine, monitor, evaluate and/or review Trust policy and performance in relation to financial management, including the year-end financial statements and the annual budget, and premises management. The Resources Committee also receives Responsible Officer reports and monitors these on behalf of the Trust. Terms of Reference are available on the Trust's website as an Appendix to the NRT Scheme of Delegation

The LGAG meets three times a year and acts as an advisory body to the Trust and performs an ambassadorial function on behalf of Alexandra Park School. Terms of reference are available on the Trust's website as an appendix to the NRT Scheme of Delegation.

# NEW RIVER TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

The board reviewed the impact and effectiveness of its work in 2016, using a governance evaluation pro-forma based on the key governance priorities identified by Ofsted in its publication "School Governance: Learning from the Best" and it used Ofsted's descriptors to determine the appropriate grade for each key question. The pro-forma was completed by individual Governors and their combined feedback was then used by the board to identify and action any areas where there was a need for development and improvement. In response to the findings, the board instituted a number of pre-committee meeting presentations and governance development sessions. These were delivered by the Headteacher of Alexandra Park School and/or the school's senior leadership team (SLT) and by an external legal adviser on governance. The board also devised a programme for all Local Governors/Board of Trustees that took place on a Saturday February 2017. This included an externally organised bespoke session for Local Governors and Trustees on their respective roles in relation to both Safeguarding and Prevent. At the beginning of January 2017, the Trust became a multi-academy trust (MAT). It will devise a new evaluation tool, therefore, for use with both its school's Local Governors and the board of trustees in the 2017-2018 academic year and conduct an evaluation in April 2018.

The resources committee is a sub-committee of the main board of trustees. Attendance during the year at meetings of the Resources Committee was 86% as follows:

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
S Gold (Appointed 1 January 2017)	3	5
M McKenzie (Accounting Officer) (Appointed 1 January 2017)	5	5
L Pinnick (Appointed 1 January 2017)	4	5
J Scott (Appointed 1 January 2017)	5	5
R Wells (Chair of governors) (Appointed 1 January 2017)	5	5



# **NEW RIVER TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Review of value for money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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.

Below sets out how we have ensured that the academy trust's use of its resources has provided good value for money during the academic year:

### **Improving Educational Results**

Optimising educational results for all students is a key priority for the Trust. Its commitment to 'success for all' is achieved through a diverse and carefully planned curriculum that is strongly led, delivered by experienced and skilled professionals and underpinned by a clear understanding of the academic, social and emotional growth needs of each of our students. It includes extra-curricular opportunities and extended learning to develop the whole person to help prepare them for higher education, further training or work.

The Trust has a robust tracking system for monitoring achievement at all key stages (KSs) and is continually looking at how data can inform staff to enable them to support learning opportunities for our students. It involves all of its curriculum and curriculum support teams in focusing on the students' learning needs and encourage innovation and creativity to meet those needs. Performance at KS4 and 5 has improved incrementally ever year: in 2016-2017 87% of students gained 5 or more 'good' at GCSE, with the more important measure of 5 'good' passes with English and maths showing a pass rate of 83%. Students received a 100% pass rate at A2, with 87% achieving A\*-C grades, over half of which were A\*-B grades.

The Trust offers students a comprehensive student support service and specialist learning provision, where appropriate, including one to one mentoring and small group work. It has a high number of students with special educational needs (SEN) who are supported by an experienced team of specialist staff.

### **Financial Governance and Oversight**

Our governance arrangements include regular monitoring by the board of trustees and its committees, including the resource committee. They receive regular financial reports and ask relevant questions as evidenced in the minutes.

The work of the committee is further informed by regular internal audit reports undertaken by Wilkins Kennedy LLP.

### **Better Purchasing**

Examples of steps taken to ensure value for money when purchasing include:

Exploring alternative purchasing options both online and direct through suppliers to find the best value

Revising and improving the tender process for significant purchase and/or contracts for example catering contract.

### **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 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 River Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

# **NEW RIVER TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the resources 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 Governing Body of Alexandra Park School considered the need for a specific internal audit function and decided to appoint an internal audit firm with effect from September 2013. It appointed Wilkins Kennedy LLP, a firm of accountants who specialise in the field of education, to perform the internal audit function in role as Responsible Officer. The appointment of Wilkins Kennedy LLP in this role was re-confirmed for 2016-2017. The role of Responsible Officer includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Wilkins Kennedy reported to the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. All work was completed as planned and actions implemented to bring about improvements where these were identified. There were no material control issues.

The schedule of audit work agreed by the Resources Committee for 2016-17 was undertaken via 2 audit visits, one in January 2017 and one in April 2017. Visit 1 included a review and testing of website information, Register of Pecuniary Interests; Whistle Blowing Policy; New Governors' Induction Pack; Risk Register; Alexandra Park School Development Plan; Related Party Transactions; Year-End Procedures; Bank Procedures, Financial Accounting Records and Systems and Data Protection. Visit 2 included a review and testing of controls in relation to Payroll, Purchasing, Assets, Financial Procedures, GAG Income, non-GAG income, Gifts and Hospitality and Compliance. There were 11 management recommendations arising out of the two visits, none of which was graded above 'merits attention' and the majority were 'housekeeping'. All recommendations were agreed and were subsequently addressed by the Trust.

### **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.

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# NEW RIVER TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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

Approved by order of the board of trustees on 05.12.17 and signed on its behalf by:

  
M McKenzie  
Accounting Officer

  
R Wells  
Chair of governors

# **NEW RIVER TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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As accounting officer of New River Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



M McKenzie  
Accounting Officer

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# NEW RIVER TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for New River Trust and are also the directors of New River Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued 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 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 5/12/2017 and signed on its behalf by:



R Wells

Chair of governors

# NEW RIVER TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW RIVER TRUST

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### Opinion

We have audited the financial statements of New River Trust (the 'Academy Trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### Basis for opinion

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

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# NEW RIVER TRUST

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

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# NEW RIVER TRUST

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

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### Use of our report

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

*Wilkins Kennedy LLP*

Mandy Wilson FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP

Statutory Auditor  
Chartered Accountants

*12th December 2017*

5 Yeomans Court  
Ware Road  
Hertford  
Hertfordshire  
SG13 7HJ



# **NEW RIVER TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW RIVER TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 3 October 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New River Trust during the period 1 September 2016 to 31 August 2017 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 River Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the New River 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 River Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of New River Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of New River Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

# NEW RIVER TRUST

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

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### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy LLP*

### Reporting Accountant

Wilkins Kennedy LLP  
5 Yeomans Court  
Ware Road  
Hertford  
Hertfordshire  
SG13 7HJ

Dated: *12th December 2017*

# NEW RIVER TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted funds:		Total	Total
	Notes	£'000s	General	Fixed asset	2017	2016
		£'000s	£'000s	£'000s	£'000s	£'000s
<b>Income from:</b>						
Donations and capital grants	3	203	29	548	780	270
Charitable activities:						
- Funding for educational operations	4	-	9,927	-	9,927	9,488
- Funding for teaching school	29	-	47	-	47	59
Other trading activities	5	332	12	-	344	309
Investments	6	10	-	-	10	15
<b>Total income</b>		<b>545</b>	<b>10,015</b>	<b>548</b>	<b>11,108</b>	<b>10,141</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	-	10,199	450	10,649	10,324
- Teaching School	29	-	54	-	54	59
<b>Total expenditure</b>	<b>7</b>	<b>-</b>	<b>10,253</b>	<b>450</b>	<b>10,703</b>	<b>10,383</b>
Gains on investments		163	-	-	163	138
<b>Net income/(expenditure)</b>		<b>708</b>	<b>(238)</b>	<b>98</b>	<b>568</b>	<b>(104)</b>
Transfers between funds		(894)	7	887	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	2,040	-	2,040	(1,259)
<b>Net movement in funds</b>		<b>(186)</b>	<b>1,809</b>	<b>985</b>	<b>2,608</b>	<b>(1,363)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		2,920	(3,286)	20,318	19,952	21,315
Total funds carried forward		2,734	(1,477)	21,303	22,560	19,952

# NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2016 £'000s
<b>Income and endowments from:</b>					
Donations and capital grants	3	221	-	49	270
Charitable activities:					
- Funding for educational operations	4	-	9,488	-	9,488
- Funding for teaching school	29	-	59	-	59
Other trading activities	5	309	-	-	309
Investments	6	15	-	-	15
<b>Total income and endowments</b>		<b>545</b>	<b>9,547</b>	<b>49</b>	<b>10,141</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	490	9,367	467	10,324
- Teaching School	29	-	59	-	59
<b>Total expenditure</b>	<b>7</b>	<b>490</b>	<b>9,426</b>	<b>467</b>	<b>10,383</b>
Gains on investments		138	-	-	138
<b>Net income/(expenditure)</b>		<b>193</b>	<b>121</b>	<b>(418)</b>	<b>(104)</b>
Transfers between funds		-	(285)	285	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(1,259)	-	(1,259)
<b>Net movement in funds</b>		<b>193</b>	<b>(1,423)</b>	<b>(133)</b>	<b>(1,363)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,727	(1,863)	20,451	21,315
Total funds carried forward		2,920	(3,286)	20,318	19,952

# NEW RIVER TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

		2017	2016
	Notes	£'000s	£'000s
<b>Fixed assets</b>			
Tangible assets	12	21,303	20,244
<b>Current assets</b>			
Stocks	13	1	4
Debtors	14	811	245
Investments	15	1,294	1,131
Cash at bank and in hand		2,321	2,149
		<u>4,427</u>	<u>3,529</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(1,584)	(535)
<b>Net current assets</b>		<u>2,843</u>	<u>2,994</u>
<b>Total assets less current liabilities</b>		<u>24,146</u>	<u>23,238</u>
Creditors: amounts falling due after more than one year	17	(55)	-
<b>Net assets excluding pension liability</b>		<u>24,091</u>	<u>23,238</u>
Defined benefit pension liability	22	(1,531)	(3,286)
<b>Net assets</b>		<u>22,560</u>	<u>19,952</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	20		
- Fixed asset funds		21,303	20,318
- Restricted income funds		54	-
- Pension reserve		(1,531)	(3,286)
<b>Total restricted funds</b>		<u>19,826</u>	<u>17,032</u>
<b>Unrestricted income funds</b>	20	<u>2,734</u>	<u>2,920</u>
<b>Total funds</b>		<u>22,560</u>	<u>19,952</u>

The financial statements set out on pages 25 to 50 were approved by the board of trustees and authorised for issue on 5.12.2017 and are signed on its behalf by:

  
R Wells  
Chair of governors

Company Number 07708890

# NEW RIVER TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000s	2016 £'000s	2016 £'000s
<b>Cash flows from operating activities</b>				
Net cash provided by operating activities	23		1,058	349
<b>Cash flows from investing activities</b>				
Dividends, interest and rents from investments		10	15	
Capital grants from DfE and EFA		548	-	
Capital funding from sponsors and others		-	49	
Payments to acquire tangible fixed assets		(1,509)	(299)	
			(951)	(235)
<b>Cash flows from financing activities</b>				
Repayment of other loan		65	-	
			65	-
<b>Change in cash and cash equivalents in the reporting period</b>			172	114
Cash and cash equivalents at 1 September 2016			2,149	2,035
<b>Cash and cash equivalents at 31 August 2017</b>			2,321	2,149

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 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.

##### 1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

New River Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

##### 1.3 Income

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

###### Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### 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.

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.



# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land and buildings	2%
Assets under the course of construction	not depreciated
Computer equipment	50%
Furniture and fittings	25%
Motor vehicles	20%

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

#### 1.6 Liabilities

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

#### 1.7 Leasing commitments

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

#### 1.8 Investments

Investments are stated at market value at the balance sheet date.

#### 1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

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

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

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### Financial liabilities

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

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

#### 1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### 1.11 Taxation

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

#### 1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.13 Fund accounting

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

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

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received and include grants from the EFA and DfE.

##### 1.14 Agency arrangements

The academy acts as an agent for a local nursery and also for the Network Learning Community. Funding received and the associated distributions made are excluded from the statement of financial activity as the academy does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

The academy trust also 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 28.

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

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

##### Critical accounting estimates and assumptions

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

##### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying value of the property, plant and equipment and note 1.5 for the useful economic lives for each class of assets.

##### *LGPS*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

There are no critical areas of judgement.

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2017 £'000s	Total 2016 £'000s
Capital grants	-	548	548	49
Other donations	203	29	232	221
	<u>203</u>	<u>577</u>	<u>780</u>	<u>270</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2017 £'000s	Total 2016 £'000s
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	8,935	8,935	8,631
Other DfE / EFA grants	-	337	337	379
	<u>-</u>	<u>9,272</u>	<u>9,272</u>	<u>9,010</u>
<b>Other government grants</b>				
Local authority grants	-	655	655	478
Other government grants	-	-	-	59
	<u>-</u>	<u>655</u>	<u>655</u>	<u>537</u>
<b>Total funding</b>	<u>-</u>	<u>9,927</u>	<u>9,927</u>	<u>9,547</u>

### 5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2017 £'000s	Total 2016 £'000s
Hire of facilities	99	-	99	113
Other income	233	12	245	196
	<u>332</u>	<u>12</u>	<u>344</u>	<u>309</u>

### 6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2017 £'000s	Total 2016 £'000s
Short term deposits	10	-	10	15
	<u>10</u>	<u>-</u>	<u>10</u>	<u>15</u>

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2017 £'000s	Total 2016 £'000s
Academy's educational operations					
- Direct costs	7,173	318	942	8,433	8,303
- Allocated support costs	1,319	580	317	2,216	2,021
Teaching School					
- Allocated support costs	-	-	54	54	59
	<u>8,492</u>	<u>898</u>	<u>1,313</u>	<u>10,703</u>	<u>10,383</u>

### Net income/(expenditure) for the year includes:

	2017 £'000s	2016 £'000s
Fees payable to auditor for:		
- Audit	10	9
- Other services	2	3
Operating lease rentals	4	16
Depreciation of tangible fixed assets	450	467
Net interest on defined benefit pension liability	68	71
	<u>534</u>	<u>566</u>

### 8 Charitable activities

	2017 £'000s	2016 £'000s
<b>All from restricted funds:</b>		
Direct costs - educational operations	8,433	8,303
Support costs - educational operations	2,216	2,021
Support costs - teaching school	54	59
	<u>10,703</u>	<u>10,383</u>

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities

(Continued)

Analysis of costs	Teaching School £'000s	Educational operations £'000s	Total 2017 £'000s	Total 2016 £'000s
<b>Direct costs</b>				
Teaching and educational support staff costs	-	7,142	7,142	7,031
Staff development	-	31	31	19
Depreciation and amortisation	-	318	318	314
Educational supplies and services	-	656	656	659
Examination fees	-	198	198	167
Educational consultancy	-	45	45	47
Other direct costs	-	43	43	66
	-	8,433	8,433	8,303
<b>Support costs</b>				
Support staff costs	-	1,319	1,319	1,110
Depreciation and amortisation	-	132	132	153
Maintenance of premises and equipment	-	94	94	96
Cleaning	-	125	125	118
Energy costs	-	132	132	126
Rent and rates	-	44	44	46
Insurance	-	43	43	47
Security and transport	-	10	10	12
Catering	-	50	50	52
Interest and finance costs	-	68	68	71
Other support costs	54	168	222	224
Governance costs	-	31	31	25
	54	2,216	2,270	2,080

### 9 Staff costs

	2017 £'000s	2016 £'000s
Wages and salaries	6,373	6,153
Social security costs	673	569
Operating costs of defined benefit pension schemes	1,281	1,155
Staff costs	8,327	7,877
Supply staff costs	134	264
Staff development and other staff costs	31	19
Total staff expenditure	8,492	8,160

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

### 9 Staff costs

(Continued)

#### Staff numbers

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

	2017 Number	2016 Number
Teachers	98	101
Administration and support	68	82
Management	9	9
	<u>175</u>	<u>192</u>

#### Higher paid staff

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

	2017 Number	2016 Number
£60,000-£70,000	6	7
£70,001-£80,000	2	2
£140,001-£150,000	-	1
£160,001 - £170,000	1	-
	<u>  </u>	<u>  </u>

#### Non statutory/non-contractual staff severance payments

Included within wages and salaries is a non contractual severance payment of £4,800.

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 and the finance manager. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £815,387 (2016: £803,815).

The academy trust incurred employers national insurance costs of £85,579 (2016: £77,211) in respect of these employee benefits.

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year there were no expenses reimbursed to governors (2016: £5,214).

The value of governors' remuneration was as follows:

M McKenzie (headteacher)

Remuneration

£165,001- £169,000 (2016: £155,001-£160,000)

Employers pension contributions

£25,001 - £30,000 (2016: £25,001-£30,000)

J Butler and L Hamlin - staff governors (combined)

Remuneration £79,008 (2016: £73,866)

Employers pension contributions £14,475 (2016: £13,609)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Body

Other related party transactions involving the trustees are set out within the related parties note.

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

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



# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Freehold land and buildings	Assets under the course of construction	Computer equipment	Furniture and fittings	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Cost</b>						
At 1 September 2016	21,534	7	125	606	26	22,298
Transfers	375	(376)	-	1	-	-
Additions	671	369	82	387	-	1,509
	<u>22,580</u>	<u>-</u>	<u>207</u>	<u>994</u>	<u>26</u>	<u>23,807</u>
<b>Depreciation</b>						
At 1 September 2016	1,531	-	86	413	24	2,054
Charge for the year	318	-	38	92	2	450
	<u>1,849</u>	<u>-</u>	<u>124</u>	<u>505</u>	<u>26</u>	<u>2,504</u>
<b>Net book value</b>						
At 31 August 2017	<u>20,731</u>	<u>-</u>	<u>83</u>	<u>489</u>	<u>-</u>	<u>21,303</u>
At 31 August 2016	<u>20,003</u>	<u>7</u>	<u>39</u>	<u>193</u>	<u>2</u>	<u>20,244</u>

Included in land and buildings is land valued at £5,709K (2016: £5,662K) which is not depreciated.

13 Stocks	2017 £'000s	2016 £'000s
Other stock	<u>1</u>	<u>4</u>
14 Debtors	2017 £'000s	2016 £'000s
Trade debtors	12	33
VAT recoverable	243	64
Prepayments and accrued income	556	148
	<u>811</u>	<u>245</u>

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 15 Current asset investments

	£'000s
Balance brought forward	1,131
Gains in year	163
<b>Balance carried forward</b>	<b><u>1,294</u></b>

The investment is in COIF Charities Investment Fund and valued at mid-market value.

16 Creditors: amounts falling due within one year	2017 £'000s	2016 £'000s
Other loans	10	-
Trade creditors	1,172	220
Other creditors	76	99
Accruals and deferred income	326	216
	<u>1,584</u>	<u>535</u>

Included within other creditors is a loan of £64,619 from Salix which is repayable over 8 years and which is interest free.

17 Creditors: amounts falling due after more than one year	2017 £'000s	2016 £'000s
Other loans	55	-
	<u>55</u>	<u>-</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	65	-
Less: included in current liabilities	(10)	-
	<u>55</u>	<u>-</u>
Amounts included above	<u>55</u>	<u>-</u>
<b>Loan maturity</b>		
Debt due in one year or less	10	-
Due in more than one year but not more than two years	10	-
Due in more than two years but not more than five years	30	-
Due in more than five years	15	-
	<u>65</u>	<u>-</u>

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>18</b>	<b>Deferred income</b>	<b>2017 £'000s</b>	<b>2016 £'000s</b>
	Deferred income is included within:		
	Creditors due within one year	181	127
		<u>          </u>	<u>          </u>
	Deferred income at 1 September 2016	127	110
	Released from previous years	(127)	(110)
	Amounts deferred in the year	181	127
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2017</b>	<b>181</b>	<b>127</b>
		<u>          </u>	<u>          </u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips, rates relief, insurance, music lessons, a local authority grant and devolved capital grant.

<b>19</b>	<b>Financial instruments</b>	<b>2017 £'000s</b>	<b>2016 £'000s</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	12	33
	Loan commitments measured at cost less impairment	10	-
		<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	1,393	408
	Loan commitments measured at cost less impairment	55	-
		<u>          </u>	<u>          </u>

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Funds

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2017 £'000s
<b>Restricted general funds</b>					
General Annual Grant	-	8,935	(8,881)	-	54
Other DfE / ESFA grants	-	337	(337)	-	-
Other government grants	-	655	(655)	-	-
Teaching School	-	47	(54)	7	-
Other restricted funds	-	41	(41)	-	-
	<u>-</u>	<u>10,015</u>	<u>(9,968)</u>	<u>7</u>	<u>54</u>
Funds excluding pensions	-	10,015	(9,968)	7	54
Pension reserve	(3,286)	-	(285)	2,040	(1,531)
	<u>(3,286)</u>	<u>10,015</u>	<u>(10,253)</u>	<u>2,047</u>	<u>(1,477)</u>
<b>Restricted fixed asset funds</b>					
Non government catering grant	38	-	-	(38)	-
DfE / ESFA capital grants	-	548	-	(548)	-
Other government grants	36	-	-	(36)	-
General fixed assets	20,244	-	(450)	1,509	21,303
	<u>20,318</u>	<u>548</u>	<u>(450)</u>	<u>887</u>	<u>21,303</u>
<b>Total restricted funds</b>	<u>17,032</u>	<u>10,563</u>	<u>(10,703)</u>	<u>2,934</u>	<u>19,826</u>
<b>Unrestricted funds</b>					
General funds	2,920	545	-	(731)	2,734
	<u>2,920</u>	<u>545</u>	<u>-</u>	<u>(731)</u>	<u>2,734</u>
<b>Total funds</b>	<u>19,952</u>	<u>11,108</u>	<u>(10,703)</u>	<u>2,203</u>	<u>22,560</u>

# **NEW RIVER TRUST**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **20 Funds**

**(Continued)**

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DFE/ESFA grants: This includes funding received from National College and ESFA restricted to relevant use for Schools Direct, Insurance, Pupil premium and Devolved Formula Capital expenditure.

LEA and other grants: this includes SEN funding and looked after children funding received from London Borough of Haringey.

Non-government funding - Odgen Trust grant for specific local science partnership.

Non Government Catering grant: Money received from Chartwells specific to kitchen capital expenditure.

Transfer of funds: this relates to the purchase of fixed assets during the year.

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2016 £'000s
<b>Restricted general funds</b>					
General Annual Grant	33	8,631	(8,379)	(285)	-
Other DfE / ESFA grants	-	379	(379)	-	-
Other government grants	-	478	(478)	-	-
Teaching School	-	59	(59)	-	-
Funds excluding pensions	33	9,547	(9,295)	(285)	-
Pension reserve	(1,896)	-	(131)	(1,259)	(3,286)
	(1,863)	9,547	(9,426)	(1,544)	(3,286)
<b>Restricted fixed asset funds</b>					
Non government catering grant	39	-	-	(1)	38
Other government grants	-	49	-	(13)	36
General fixed assets	20,412	-	(467)	299	20,244
	20,451	49	(467)	285	20,318
<b>Total restricted funds</b>	18,588	9,596	(9,893)	(1,259)	17,032
<b>Unrestricted funds</b>					
General funds	2,727	545	(490)	138	2,920
<b>Total funds</b>	21,315	10,141	(10,383)	(1,121)	19,952

### 21 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2017 £'000s
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	21,303	21,303
Current assets	4,373	54	-	4,427
Creditors falling due within one year	(1,584)	-	-	(1,584)
Creditors falling due after one year	(55)	-	-	(55)
Defined benefit pension liability	-	(1,531)	-	(1,531)
	2,734	(1,477)	21,303	22,560

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 22 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Haringey Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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 (currently 14.1%))
- 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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £738k (2016: £728k).

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

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 22 Pensions and similar obligations

(Continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.7% for employers and 5.5%-12.5% for employees.

The academy has entered into an agreement to make additional contributions to the scheme, which is in deficit, in addition to the normal funding levels. The additional contributions amount to £144K which are being spread over the three years to 31 March 2017.

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

Total contributions made	2017 £'000s	2016 £'000s
Employer's contributions	332	371
Employees' contributions	85	92
Total contributions	417	463

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2

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

	2017 Years	2016 Years
Retiring today		
- Males	21.8	21.9
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.8	24.2
- Females	26	26.5



# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 22 Pensions and similar obligations

(Continued)

	2017 £'000s	2016 £'000s
Discount rate -0.5%	857	1,015
Salary increase + 0.5%	155	363
Pension increase + 0.5%	688	616
	<u>          </u>	<u>          </u>
<b>The academy trust's share of the assets in the scheme</b>	<b>2017 Fair value £'000s</b>	<b>2016 Fair value £'000s</b>
Equities	524	3,438
Bonds	177	1,112
Cash	15	101
Property	54	405
	<u>          </u>	<u>          </u>
Total market value of assets	770	5,056
	<u>          </u>	<u>          </u>
Actual return on scheme assets - gain/(loss)	433	928
	<u>          </u>	<u>          </u>
<b>Amounts recognised in the statement of financial activities</b>	<b>2017 £'000s</b>	<b>2016 £'000s</b>
Current service cost	549	431
Interest income	(104)	(146)
Interest cost	172	217
	<u>          </u>	<u>          </u>
Total operating charge	617	502
	<u>          </u>	<u>          </u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2017 £'000s</b>	<b>2016 £'000s</b>
Obligations at 1 September 2016	3,286	5,651
Current service cost	549	431
Interest cost	172	217
Employee contributions	85	92
Actuarial (gain)/loss	(1,711)	2,041
Benefits paid	(80)	(90)
	<u>          </u>	<u>          </u>
At 31 August 2017	2,301	8,342
	<u>          </u>	<u>          </u>

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 22 Pensions and similar obligations

(Continued)

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

	2017 £'000s	2016 £'000s
Assets at 1 September 2016	-	3,755
Interest income	104	146
Actuarial gain	329	782
Employer contributions	332	371
Employee contributions	85	92
Benefits paid	(80)	(90)
At 31 August 2017	770	5,056

### 23 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017 £'000s	2016 £'000s
Net income/(expenditure) for the reporting period	405	(242)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(548)	(49)
Investment income receivable	(10)	(15)
Defined benefit pension costs less contributions payable	217	60
Defined benefit pension net finance cost	68	71
Depreciation of tangible fixed assets	450	467
Decrease in stocks	3	1
(Increase) in debtors	(566)	(18)
Increase in creditors	1,039	74
Net cash provided by operating activities	1,058	349

### 24 Contingent liabilities

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

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

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

# NEW RIVER TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 25 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000s	2016 £'000s
Amounts due within one year	1	4
Amounts due in two and five years	1	2
	<u>2</u>	<u>6</u>

#### 26 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

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

#### 28 Agency arrangements

During the year the academy has acted as an agent for the Network Learning Community. The academy had a brought forward creditor balance of £70,540 relating to undistributed funds. During the year the academy received an additional £25,000 which was added to the fund balance and disbursed £35,384 from the fund, which includes an administration fee of £2,000 payable to the academy. An amount of £60,156 is included in other creditors relating to undistributed funds.

The academy has also acted as an agent for a local nursery. The academy had a brought forward creditor balance of £2,000. In the accounting period ended 31 August 2017 the academy disbursed £2,000 from the fund and there is no balance held at the year end.

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2017 the trust received £48,004 and distributed £38,436 from the fund. The balance of £9,568 has been included in other creditors relating to undistributed funds

The academy trust has also acted as agent with respect to NCTL Schools Direct Income. In the accounting period ended 31 August 2017 the trust received £41,500 and distributed the whole amount, there is no balance held at the year end.

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## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

29 Teaching School trading account	2017		2016	
	£'000s	£'000s	£'000s	£'000s
<b>Direct income</b>				
Government grants		47		59
<b>Other costs</b>				
Other support costs	54		59	
Total expenditure		(54)		(59)
Transfers between funds excluding depreciation		7		-
<b>Surplus/(deficit) from all sources</b>		-		-
Teaching School balances at 1 September 2016		-		-
<b>Teaching School balances at 31 August 2017</b>		-		-