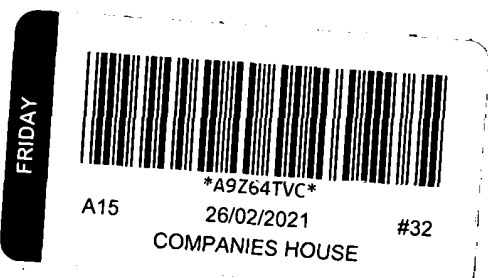


Company Registration No. 07708890 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



# **NEW RIVER TRUST**

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# NEW RIVER TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

J Beer  
S Gold (Resigned 1 September 2019)  
M McKenzie (Accounting Officer)  
L Pinnick  
J Scott (Chair of Trustees)  
R Wells (Resigned 1 September 2019)  
J Oldham  
D F Stout  
C Karayannis  
S Daley (Appointed 18 November 2019)  
U Hamid-Dizier (Appointed 3 September 2019)

### Members

S Daley  
S Gold (Resigned 1 September 2019)  
N Scott  
G Wyse  
R Wells  
J Scott

### Alexandra Park School Governors

M Box - (elected 29 October 2019)  
A Gee - (appointed 31 October 2019)  
U Hamid-Dizier - (Chair of Local Governors)  
M McLachlan - (elected 2 March 2020)  
J Morago  
M McKenzie - (Headteacher)  
J Oldham  
F Reynolds - (resigned 20 February 2020)  
N Richardson  
N Scott

### 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 KS3  
K Perry - AHT, Inclusion & Pathways  
SJ Starkie - AHT, Director of Sixth Form  
G Stratis - AHT, Teaching & Learning  
T Ware - AHT, Standards & Assessment  
A Falola - AHT, Director of KS4

### Company secretary

E S Bell

### Company registration number

07708890 (England and Wales)

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# **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>	Azets Audit Services 5 Yeomans Court Ware Road Hertford SG13 7HJ
<b>Bankers</b>	Lloyds TSB Bank plc Silver Street PO Box 1000 BX1 1LT
<b>Investment advisors</b>	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

# **NEW RIVER TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Haringey. It has a DFE stated student capacity of 1290 and had a roll of 1795 in the school census, October 2020.

#### **Audit**

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

#### **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 Trustees of New River Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as New River 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 New River Trust.

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.

##### **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 Trustees 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 11 to the accounts the limit of the indemnity is £10,000,000.

# **NEW RIVER TRUST**

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

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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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 two elected Parent Local Governors and two Staff Local Governors. Elected Local Governors serve for a period of 2 years. Appointed Local Governors are appointed by the Board of Trustees on the basis of the range and skills they are able to bring to the LGAG and an annual skills audit is conducted to ensure that any knowledge gaps are addressed. Appointments to the LGAG are reviewed by the Board of Trustees on an annual basis pursuant to Article 101 except for the Headteacher, to whom this time limit does not apply. When appointing new Local Governors, the Trustees will also 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 Trustees and Local Governors is delivered in accordance with the New River Trust Trustee and Local Governor Induction Schedules and the Governance Handbook approved by the Board of Trustees.

The induction programme for new Trustees and Local Governors in will depend upon their existing experience but will always include an induction meeting with the Chair and Clerk. Board of Trustees and Finance & Audit Committee induction programmes also include a finance induction meeting with the Finance Director. Trustees and Local Governors will always have a safeguarding training and induction meeting and a tour of Alexandra Park School during which they are given the opportunity to meet staff and pupils.

All Trustees and Local Governors 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 Finance & Audit Committee, Personnel Committee, Admissions Committee and the Local Governors' Advisory Group and their Terms of Reference.

In addition to regular governance briefings at Trustee and Local Governors' Advisory Group meetings, there is an annually scheduled planning and development event, that includes presentations aimed at keeping Trustees and Local Governors updated on relevant developments that impact on their roles and responsibilities. Local Governors and Trustees also 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 2020**

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### Organisational structure

The Board Trustees meets at least six times per year. It has established an overall framework for the governance of the Trust and has established a Finance & Audit Committee, Personnel Committee and Admissions 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 its Finance & Audit Committee and other Committees and the LGAG. It receives minutes and reports, including policies, from the Finance & Audit Committee and other Committees 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 Finance & Audit 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 Finance & Audit Committee are responsible for the authorisation of spending within agreed budgets as summarised in the Scheme of Financial Delegation approved by the Board. Some spending control is devolved to budget holders in line with the Trust's Scheme of Financial Delegation. The Headteacher is responsible for the appointment of staff at Alexandra Park School.

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

Key management personnel comprise: the Chief Executive Officer and Headteacher, Deputy Headteachers and Assistant Headteachers.

The Chief Executive Officer is appointed by the Board of Trustees, which also reviews CEO performance annually and determines pay and remuneration arrangements. In making its decisions on pay and remuneration of management personnel, the Board of Trustees acts in accordance with the Trust's Pay Policy and considers external advice from appropriately skilled independent specialists, external data on Trust performance against agreed targets and external benchmarking information. On behalf of the Board of Trustees, the Personnel Committee undertakes the CEO and Headteacher's annual performance appraisal in accordance with the Trust's performance appraisal policy and annual salary review, in accordance with the Trust's Pay Policy. The Personnel Committee reports on the outcome of the CEO annual performance appraisal and salary review to the Board of Trustees and recommends annual salary for approval by the Board of Trustees.

The Finance & Audit Committee approves the arrangements for the pay of the Deputy and Assistant Headteachers on the basis of recommendations from the Headteacher in accordance with the Trust's Pay Policy and line with national pay and conditions.

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period

3

Full-time equivalent employee number

3.00

#### *Percentage of time spent on facility time*

Percentage of time

Number of employees

0%

3

1%-50%

-

51%-99%

-

100%

-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

### Related parties and other connected charities and organisations

New River 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.



# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 as follows:

1. 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.
2. To promote for the benefit of the inhabitants of North London and the surrounding area, 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 said inhabitants.

The Trust vision is 'to harness the potential of each individual within the New River Trust, raising their levels of aspiration and achievement through a culture of challenge, improvement and cohesion'.

The New River Trust has made a strategic commitment to progress toward five key aims:

- To maintain a broad and ambitious curriculum that values learning for all
- To foster a positive and inclusive environment which promotes development, performance and wellbeing
- To ensure consistency in Teaching, Learning and Assessment and maintain high quality educational outcomes
- To maintain a physical environment which is safe, engaging and fit-for-purpose, whilst ensuring financial sustainability
- To expand the Trust's impact and reputation through public engagement and collaboration with other schools & organisations

The Trust 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"

The Board of Trustees has also articulated its approach to MAT growth in the Trust's five-year vision as follows:

"New River Trust is a Multi-Academy Trust with a single, high achieving, successful comprehensive school.

We are proud of the longstanding success of Alexandra Park School and will take every action to maintain and build on this success, whatever national challenges we may face.

Our vision is to build on our good practice in Alexandra Park School to benefit the wider education community. We will achieve this through:

- Maximising the impact of our current programmes, such as the New River Teaching Alliance, The Ogden Trust and the Science Learning Partnership
- Building new partnerships that deliver real impact. These could include:
  - Integrating schools into our MAT. We will do this only where we are confident this is both sustainable and creates real educational benefit
  - Co-operating with like-minded schools, local community organisations, international partners

By doing this, our Trust will become a national leader in education, allowing us to develop and invest in our colleagues, and ultimately ensuring the success of all our pupils."

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Objectives, strategies and activities

The principal activity of the Trust is delivery of its charitable objects as outlined above.

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 the opportunities arising from national changes in education policy and funding. In 2019-20, these included the following:

- Consolidate KS3 curriculum to develop skills (including literacy and numeracy) and refine content in light of growing experience of changes at other key stages.
- Review and clarify intent, implementation and impact of the curriculum across all three Key Stages.
- Develop earlier intervention strategies to enhance achievement for disadvantaged students and target groups.
- Enhance development of revision skills for all students.
- Review Year 10 and Year 12 work experience outcomes in order to further develop provision.
- Further develop APS as a welcoming and supportive place to work and study, with particular attention to well-being and health.
- Develop our public engagement strategy to improve the experience of existing stakeholders and enhance our reputation amongst a selective wider audience.
- Develop our work with Haringey Education Partnership (HEP).

With reference to MAT growth, in 2019-20 the Trust focussed on preparing for growth by building on our good practice in Alexandra Park School to benefit the wider education community in line with its five-year vision. This was achieved by maximising the impact of our current programmes and building new partnerships that deliver real impact. This activity included leadership of and participation in collaborative interventions working across a number of schools, for example: Haringey Education Partnership; Science Learning Partnership; Ogden Trust; Teacher Subject Specialism lead (DfE grant); STEM consultation; NRTA (teaching school) network lead; Tailored Support Programme for Recruitment and retention lead (DfE grant).

#### 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.

Delivery of the Trust's Charitable Objects as outlined above, further the Trust's purposes for the public benefit including: 'to advance for the public benefit education by establishing a school offering a broad and balanced curriculum' and 'to promote for the benefit of the inhabitants of North London and the surrounding area, the provision of facilities for individuals who have need of such facilities with the object of improving the condition of life of the said 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 2019-2020 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 2020**

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### Strategic report

#### Achievements and performance

The Trust teaches young people from the age of 11-18. In this year Centre Assessed Grades were assigned. Sixth Form students at Alexandra Park School achieved a 100% pass rate at A level in 2019-20, with 90% of students achieving A\*-C grades and 68% achieving A\*-B grades. The average A level grade remained at B- and GCSE achievements were also broadly similar to the previous year. The Academy Trust's performance is impressive with an estimated Progress 8 of 0.66 and attainment 8 of 59.2. In the new exams, the headline "4+" English and Maths grades is 82%. The figure for "5+" is 73%.

The Trust holds a number of awards and kitemarks, reflecting its commitment to excellence in education. In 2019-20 it was appointed Science Learning Partnership Lead for North London, Erasmus Project EU lead and Rolls Royce Science Prize Candidate

Alexandra Park School is heavily oversubscribed. It received 1736 applications for the 232 places available in Year 7 in September 2020, 947 of these were first and second choice applications.

The Trust met its objectives for 2019-20 Achievements and performance were in-line with stretch 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 2019- 2020 were 1717, an increase of 32 over 2018-2019.

Another key financial performance indicator is staffing costs as a percentage of total income and in the 2019-2020 year, the Trust set an indicator that staff costs should be approximately 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 2020

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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 2020 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 2020, total expenditure of £12,460K (2019: £12,241K) 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 £182k (2019: excess of expenditure over income was £311k). This excludes the gain on investments of £144k (2019: £227k).

At 31 August 2020 the net book value of fixed assets was £20,889k (2019: £20,631k). 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 £2,913k (2019: £2,553k) at 31 August 2020. 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 a minimum of four weeks' expenditure, which is approximately £958k (2019: £942k).

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 and to deliver capital development plans to address capacity issues and to support our strategic objectives. The Trust's current level of free reserves of £3,602k (2019: £3,606k) (total funds less the amount held in fixed assets and restricted funds) is greater than the minimum and the Trust is in the first year of a capital building programme drawing on these reserves. The first stage of this programme is adding almost 1,000 square metres of space to the school. The Trust will consider the financial impact of COVID-19 before embarking on the second stage of the planned capital build.

#### Investment policy

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 2020 of £21,578k (2019: £21,696k) comprising £17,976k (2019: £18,090k) of restricted funds and £3,602k (2019: £3,606k) of unrestricted general funds.

Of the restricted funds £20,889k (2019: £20,631k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £2,913k (2019: £2,553k) in deficit.

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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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. This information is included in the Trust's Risk Register, which is maintained and reviewed on a regular basis by the Board of Trustees. The Board of Trustees has established a Risk Committee to review the Trust's Risk Management Strategy and annual risk management process in greater depth, making recommendations for improvement to the Board of Trustees.

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 Governance Statement on page 14. The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff ownership and awareness of risk. Senior staff are allocated management responsibility for risk mitigation and control activities for the relevant sections the Risk Register, reporting to the Board of Trustees, and all finance and governance staff receive training to keep them up to date with the relevant practice requirements and compliance.

The below outline provides an overview of the principal risks facing the Trust as identified by the Board of Trustees together with a summary of its plans and strategies for managing those risks.

### Financial

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

A financial risk also arises in relation to the defined benefit pension LGPS scheme due to the deficit as at 31 August 2020 of £2,913k (2019: £2,553k). This risk is currently managed in that any deficit is covered by the Government promise.

As government funding is based on pupil numbers, financial risk is closely linked with reputational risk and associated risks to admissions. Monitoring and mitigation of reputational risk is outlined below.

### Failures in governance, management and/or compliance

The risk in this area arises from potential failure of the Board to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc.

The Board of Trustees continues to review governance and management risks and ensure that appropriate measures are in place to mitigate these risks, including taking legal or specialist advice on key areas of relevant legislation. For example, the Board has extended the remit of the biannual internal audit to include a full review of compliance, informed by the Trust's Risk Register. The Board has also agreed a formal policy review schedule to ensure policies are reviewed and updated in line with statutory requirements and a decision-making framework, summarising key management and reporting responsibilities in the Trust's Scheme of Delegation. In addition, the Trust has appointed a professional clerk to the Board of Trustees to provide guidance to ensure that the Board works in compliance with appropriate legal and regulatory framework.

# **NEW RIVER TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **Reputational**

The continuing success of the Trust is dependent on attracting applicants in sufficient numbers by maintaining its reputation for outstanding educational standards. To mitigate risk to the Trust's reputation, Trustees and Local Governors ensure that student success and achievement are rigorously monitored and reviewed. This risk is further mitigated via Trust involvement in collaborative interventions across a network of schools as described on page 6, strengthening the Trust's reputation for high quality education.

The number of applicants applying for admission to the Trust in 2020 was by a substantial margin the highest across all Haringey schools. 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, training, health and safety and discipline.

### **Staffing**

The success of the Trust is reliant on the quality of its leadership and staff, so the primary risks faced in this area relate to the recruitment and retention of high-quality staff. Retention of the CEO is seen as key to the Trust's success, as is the Trust's New Teacher Training (NTT) and Continued professional development (CPD) programmes.

To mitigate staffing risks, The Board of Trustees monitors and reviews policies and procedures to ensure continued development and training for all staff including implementation of the Trust's electronic performance management system. The Board of Trustees receives regular reports on staffing including recruitment and retention data, information on continued professional development of staff and biennial staff survey results.

The start of the 2020-2021 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.

### **Fundraising**

There were no major fundraising activities in the year.

# NEW RIVER TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 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 of Trustees. 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 2020-2021 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. This priority is reflected in the Trust's five-year MAT vision as outlined above. The five year vision will form the basis of future plans, with a focus on building a reputation for high quality education through collaboration and partnership building. The Trust acknowledges that the maintenance of outstanding educational provision at Alexandra Park School is central to achievement of its MAT vision, therefore future plans include strategic capital development at the school to support continued excellence.

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

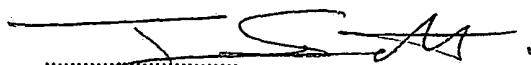
During the year and in response to a request from the London Borough of Haringey (LBH) the academy has acted as an agent for the Network Learning Community (NLC). The NLC is a consortium of all primary schools located in the west of the LBH. The NLC meets regularly at Alexandra Park School to consider and co-ordinate improvement and support initiatives across its consortium schools. The Trust had a brought forward creditor balance of £43,405 relating to undistributed funds. During the year the Trust received an additional £17,100 which was added to the fund and disbursed £19,485 from the fund, which includes an administration fee of £2,100 payable to the academy. An amount of £41,020 is included in other creditors relating to undistributed funds.

### 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 15.12.2020 and signed on its behalf by:



J Scott  
Chair of Trustees

# NEW RIVER TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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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.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

### The Board of Trustees

The Board of Trustees formally met 6 times during the year. Attendance at meetings of the Board of Trustees was 81% as per below.

Trustees	Meetings attended	Out of possible
J Beer	3	6
S Gold (Resigned 1 September 2019)		
M McKenzie (Accounting Officer)	6	6
L Pinnick	4	6
J Scott (Chair of Trustees)	6	6
R Wells (Resigned 1 September 2019)		
J Oldham	6	6
D F Stout	5	6
C Karayannis	5	6
S Daley (Appointed 18 November 2019)	3	5
U Hamid-Dizier (Appointed 3 September 2019)	5	6

Trustees and Local Governors completed an annual skills audit and governance review this year based on the Department for Education's Governance Competency Framework. The results of this review were used to inform recruitment and succession planning and to plan training opportunities at both Board and LGAG level. New River Trust Members received biannual reports on Board effectiveness, which included the results of the skills audit and governance review. Members maintained oversight of the effectiveness of the Board of Trustees via discussion of these reports at the AGM and by receiving additional information as to the Board's plans in relation to recruitment and succession planning. Trustee training sessions were delivered and a new Trustee was appointed to the Board as a result of these reviews, further enhancing the skillset of the Board and ensuring robust succession planning.

Following the external governance review carried out in the previous year and the annual skills audit and governance review completed this year, Trustees identified areas for further development of governance practices at the Trust and set two-year governance priorities based on the DfE Governance Handbook and Competency Framework for Governance. Focus areas selected by the Trustees include refining the Trust's stakeholder engagement strategy and developing Governing Body understanding of the new Ofsted framework.



## **NEW RIVER TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The Finance & Audit Committee is a sub-committee of the Board of Trustees.

Its purpose is to scrutinise effective and appropriate use of Trust resources, to ensure propriety and value for money and to monitor finance, estates and audit management on behalf of the Board of Trustees. The Finance & Audit Committee also functions as Audit and Risk Committee in accordance with section 3.6 of the 2020 Academies Financial Handbook. The Finance & Audit Committee formally met four times during the year. Attendance at meetings of the Finance & Audit Committee was 86% as per below.

Attendance at meetings in the year was as follows:

Not included in the list below is local governing body member, N Scott, who is also a member of the Finance & Audit Committee. N Scott attended 4 out of 4 possible meetings during the year.

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
M McKenzie (Accounting Officer)	4	4
J Scott (Chair of Trustees)	4	4
D F Stout	4	4
C Karayannis	2	3
S Daley (Appointed 18 November 2019)	1	2

# NEW RIVER TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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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.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including use of benchmarking data where appropriate. The below sets out how accounting officer for the Trust has delivered improved 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.

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

The Trusts' governance arrangements include regular financial monitoring by the Board of Trustees and its committees, including the Finance & Audit Committee. The Board of Trustees and the Finance & Audit Committee receive regular financial reports, including management accounts at each meeting, and ask relevant questions as evidenced in the minutes.

- Ensuring the operation of the academy demonstrates value for money and efficient and effective use of resources;

Alexandra Park School uses competitive tendering process for ensuring value for money on a regular basis. At least two written quotations are obtained for all orders between £5,000 and £10,000 and at least three written estimates are obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/ services. All orders over £50,000 are put out to tender.

In addition, during the year a number of contracts and purchases were reviewed to ensure the existing contracts provided best value for the school.

- Maximising income generation:

The Trust is working within the constraints of the COVID-19 guidance to allow safe lettings, while also necessarily diversifying use of the site.

- Reviewing controls and managing risk

Monthly management reports are produced which results in actions being taken to address any significant variances that may have arisen and that are likely to have impact on the budget out-turn.

The Academy ensures that surplus cash balances are invested in interest bearing accounts to maximise interest-earning potential.

# **NEW RIVER TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

The 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 Audit Services, 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 in this role was re-confirmed for 2018-2019. 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 Audit Services reported to the Board of Trustees, through the Finance & Audit 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.

In light of revised site arrangements associated with COVID-19, the schedule of audit work agreed by the Finance & Audit Committee for 2019-20 was undertaken via one audit visit in January 2020, a second audit visit carried out remotely during May 2020 and a third audit visit during October 2020. Visit 1 included a review and testing of Compliance and Governance; Risk Register; Register of Pecuniary Interests; Related Party Transactions; Alexandra Park School Development Plan; New Governor Induction pack; Data Protection and GDPR compliance; Bank Procedures; Payroll and Joiners and Leavers; Data Security and Whistle Blowing Policy. Visit 2, carried out remotely, comprised the scheduled review and testing of website information. Visit 3 included a review and testing of controls in relation to Financial Accounting Records and Systems; Purchasing; Assets; Year-End Procedures; Gifts and Hospitality; Monthly Management Reporting; GAG Income, non-GAG Income; VAT and Other Taxation; Budgeting and Cashflow Process; Other Income; Compliance and Student Number Data. There was one management recommendation arising out of the visits held during 2019-20, which was graded 'housekeeping'. This recommendation was reviewed and addressed by the Trust.

## NEW RIVER TRUST

### GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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#### Review of effectiveness

As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

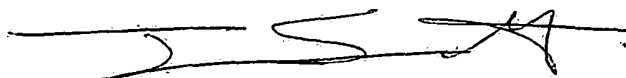
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of trustees on 15.12.2020 and signed on its behalf by:



M McKenzie  
Accounting Officer



J Scott  
Chair of Trustees

## **NEW RIVER TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

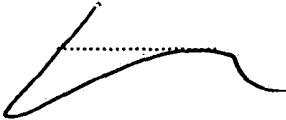
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As accounting officer of New River Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions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

I confirm that I and the academy trust's 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 2019.

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

M McKenzie  
Accounting Officer

A handwritten signature in black ink, appearing to be 'M McKenzie', written over a horizontal dotted line.

# NEW RIVER TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

In preparing these accounts, the trustees are required to:

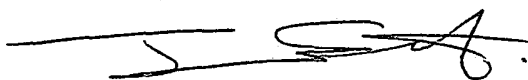
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 15.12.2020 and signed on its behalf by:



J Scott  
Chair of Trustees

# NEW RIVER TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2020 £'000s	Total 2019 £'000s
<b>Income from:</b>						
Donations and capital grants	3	167	15	35	217	735
Charitable activities:						
- Funding for educational operations	4	-	11,376	-	11,376	10,533
- Funding for teaching school	28	-	25	-	25	46
Other trading activities	5	262	191	-	453	499
Investments	6	3	-	-	3	5
<b>Total income</b>		<b>432</b>	<b>11,607</b>	<b>35</b>	<b>12,074</b>	<b>11,818</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	580	11,248	603	12,431	12,191
- Teaching School	28	-	29	-	29	50
<b>Total expenditure</b>	<b>7</b>	<b>580</b>	<b>11,277</b>	<b>603</b>	<b>12,460</b>	<b>12,241</b>
Gains on investments		144	-	-	144	227
<b>Net income/(expenditure)</b>		<b>(4)</b>	<b>330</b>	<b>(568)</b>	<b>(242)</b>	<b>(196)</b>
Transfers between funds		-	(826)	826	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	124	-	124	(1,099)
<b>Net movement in funds</b>		<b>(4)</b>	<b>(372)</b>	<b>258</b>	<b>(118)</b>	<b>(1,295)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		3,606	(2,541)	20,631	21,696	22,991
Total funds carried forward		3,602	(2,913)	20,889	21,578	21,696

# NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted Funds £'000s	General £'000s	Restricted funds: Fixed asset £'000s	Total 2019 £'000s
<b>Income and endowments from:</b>					
Donations and capital grants	3	235	11	489	735
Charitable activities:					
- Funding for educational operations	4	-	10,533	-	10,533
- Funding for teaching school	28	-	46	-	46
Other trading activities	5	321	178	-	499
Investments	6	5	-	-	5
<b>Total income and endowments</b>		<b>561</b>	<b>10,768</b>	<b>489</b>	<b>11,818</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	211	11,380	600	12,191
- Teaching School	28	-	50	-	50
<b>Total expenditure</b>	<b>7</b>	<b>211</b>	<b>11,430</b>	<b>600</b>	<b>12,241</b>
Gains on investments		227	-	-	227
<b>Net income/(expenditure)</b>		<b>577</b>	<b>(662)</b>	<b>(111)</b>	<b>(196)</b>
Transfers between funds		-	307	(307)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(1,099)	-	(1,099)
<b>Net movement in funds</b>		<b>577</b>	<b>(1,454)</b>	<b>(418)</b>	<b>(1,295)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		3,029	(1,087)	21,049	22,991
Total funds carried forward		3,606	(2,541)	20,631	21,696




# NEW RIVER TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000s	£'000s
<b>Fixed assets</b>			
Tangible assets	12	20,889	20,631
<b>Current assets</b>			
Debtors	13	553	472
Investments	14	3,166	2,422
Cash at bank and in hand		1,015	1,386
		<u>4,734</u>	<u>4,280</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(1,088)	(608)
<b>Net current assets</b>		<u>3,646</u>	<u>3,672</u>
<b>Total assets less current liabilities</b>		<u>24,535</u>	<u>24,303</u>
Creditors: amounts falling due after more than one year	16	(44)	(54)
<b>Net assets excluding pension liability</b>		<u>24,491</u>	<u>24,249</u>
Defined benefit pension liability	20	(2,913)	(2,553)
<b>Net assets</b>		<u>21,578</u>	<u>21,696</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		20,889	20,631
- Restricted income funds		-	12
- Pension reserve		(2,913)	(2,553)
<b>Total restricted funds</b>		<u>17,976</u>	<u>18,090</u>
<b>Unrestricted income funds</b>	18	<u>3,602</u>	<u>3,606</u>
<b>Total funds</b>		<u>21,578</u>	<u>21,696</u>

The accounts on pages 26 to 50 were approved by the trustees and authorised for issue on 15.12.2020 and are signed on their behalf by:

  
 .....  
 J Scott  
 Chair of Trustees

Company Number 07708890

# NEW RIVER TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020	2019
	Notes	£'000s	£'000s
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	1,206	85
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		3	5
Capital grants from DfE and EFA		35	489
Payments to acquire tangible fixed assets		(861)	(187)
Payments to acquire investments		(744)	(227)
Proceeds from sales of tangible fixed assets		-	5
		(1,567)	85
<b>Cash flows from financing activities</b>			
Repayment of other loan		(10)	(10)
		(10)	(10)
<b>Change in cash and cash equivalents in the reporting period</b>		(371)	160
Cash and cash equivalents at 1 September 2019		1,386	1,226
<b>Cash and cash equivalents at 31 August 2020</b>		<u>1,015</u>	<u>1,386</u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants

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

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

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

##### 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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

---

### 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

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

### 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.

### 1.5 Tangible fixed assets and depreciation

Assets costing £4,000 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.

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

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%
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 Leased assets

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.

##### 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 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.

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.11 Pensions benefits

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

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

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

#### 1.12 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 ESFA and DfE where the asset acquired or created is held for a specific purpose.

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

#### 1.13 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 27.

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 27.

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

There are no critical areas of judgement.

### 3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Capital grants	-	35	35	489
Other donations	167	15	182	246
	<u>167</u>	<u>50</u>	<u>217</u>	<u>735</u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	9,707	9,707	9,359
Other DfE group grants	-	808	808	372
	-	10,515	10,515	9,731
<b>Other government grants</b>				
Local authority grants	-	835	835	796
Special educational projects	-	51	51	52
	-	886	886	848
<b>Total funding</b>	-	11,401	11,401	10,579

### 5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Hire of facilities	53	-	53	91
Other income	209	191	400	408
	262	191	453	499

### 6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Short term deposits	3	-	3	5



# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Expenditure

	Staff costs £'000s	Non-pay expenditure Premises £'000s	Other £'000s	Total 2020 £'000s	Total 2019 £'000s
Academy's educational operations					
- Direct costs	8,264	-	796	9,060	8,905
- Allocated support costs	1,796	1,145	430	3,371	3,286
Teaching School					
- Direct costs	21	-	6	27	29
- Allocated support costs	-	-	2	2	21
	<u>10,081</u>	<u>1,145</u>	<u>1,234</u>	<u>12,460</u>	<u>12,241</u>

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

	2020 £'000s	2019 £'000s
Fees payable to auditor for:		
- Audit	10	10
- Other services	6	3
Operating lease rentals	15	1
Depreciation of tangible fixed assets	603	605
Gain on disposal of fixed assets	-	(5)
Net interest on defined benefit pension liability	50	35
	<u>684</u>	<u>664</u>

### 8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Direct costs - educational operations	586	8,474	9,060	8,905
Direct costs - teaching school	-	27	27	29
Support costs - educational operations	(6)	3,377	3,371	3,286
Support costs - teaching school	-	2	2	21
	<u>580</u>	<u>11,880</u>	<u>12,460</u>	<u>12,241</u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

(Continued)

Analysis of costs	Teaching School	Educational operations	Total 2020	Total 2019
	£'000s	£'000s	£'000s	£'000s
<b>Direct costs</b>				
Teaching and educational support staff costs	21	8,264	8,285	7,587
Staff development	6	27	33	32
Depreciation and amortisation	-	-	-	338
Educational supplies and services	-	545	545	730
Examination fees	-	176	176	201
Educational consultancy	-	21	21	16
Other direct costs	-	27	27	30
	<u>27</u>	<u>9,060</u>	<u>9,087</u>	<u>8,934</u>
<b>Support costs</b>				
Support staff costs	-	1,796	1,796	1,517
Depreciation and amortisation	-	603	603	262
Maintenance of premises and equipment	-	119	119	771
Cleaning	-	180	180	165
Energy costs	-	144	144	148
Rent and rates	-	49	49	53
Insurance	-	40	40	43
Security and transport	-	10	10	11
Catering	-	98	98	61
Interest and finance costs	-	50	50	35
Other support costs	2	260	262	219
Legal costs	-	5	5	5
Governance costs	-	12	17	17
	<u>2</u>	<u>3,366</u>	<u>3,373</u>	<u>3,307</u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £'000s	2019 £'000s
Wages and salaries	7,183	6,824
Social security costs	763	724
Pension costs	1,922	1,366
Staff costs - employees	9,868	8,914
Agency staff costs	213	190
	10,081	9,104
Staff development and other staff costs	33	32
Total staff expenditure	10,114	9,136

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

There were no non-statutory/non-contractual severance payments this year (2019: £12,800).

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	111	111
Administration and support	83	68
Management	10	10
	204	189

#### Higher paid staff

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

	2020 Number	2019 Number
£60,000-£70,000	8	7
£70,001-£80,000	3	3
£80,001-£90,000	2	-
£160,001 - £170,000	-	1
£180,001 - £190,000	1	-

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 9 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 and the finance manager. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,085,102 (2019: £1,041,547).

### 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 expenses of £741.52 (2019: £270) were reimbursed to one trustee. These related to travel and staff wellbeing.

The value of trustees' remuneration was as follows:

M McKenzie (headteacher)

Remuneration: £180,000-£185,000 (2019: £165,001-£170,000)

Employers pension contributions: £40,000-£45,000 (2019: £25,001-£30,000)

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

### 11 Insurance for trustees and officers

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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 12 Tangible fixed assets

	Freehold land and buildings	Assets under constructio n	Computer equipment	Furniture and fittings	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Cost</b>						
At 1 September 2019	22,597	-	313	1,313	39	24,262
Additions	-	702	131	29	-	862
At 31 August 2020	22,597	702	444	1,342	39	25,124
<b>Depreciation</b>						
At 1 September 2019	2,524	-	238	866	3	3,631
Charge for the year	337	-	52	208	7	604
At 31 August 2020	2,861	-	290	1,074	10	4,235
<b>Net book value</b>						
At 31 August 2020	19,736	702	154	268	29	20,889
At 31 August 2019	20,073	-	75	447	36	20,631

Included in land and buildings is land valued at £5,709K (2019: £5,709K) which is not depreciated.

### 13 Debtors

	2020 £'000s	2019 £'000s
Trade debtors	22	24
VAT recoverable	167	138
Other debtors	31	-
Prepayments and accrued income	333	310
	<u>553</u>	<u>472</u>

### 14 Current asset investments

	£'000s
Balance brought forward	2,422
Additions	600
Gains in year	144
<b>Balance carried forward</b>	<b><u>3,166</u></b>

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

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 15 Creditors: amounts falling due within one year

	2020 £'000s	2019 £'000s
Other loans	10	10
Trade creditors	706	177
Other creditors	64	60
Accruals and deferred income	308	361
	<u>1,088</u>	<u>608</u>

Included within other creditors is a loan of £54,153 (2019: £63,999) from Salix which is repayable over 8 years and which is interest free.

### 16 Creditors: amounts falling due after more than one year

	2020 £'000s	2019 £'000s
Other loans	44	54
	<u>44</u>	<u>54</u>
<b>Analysis of loans</b>	<b>2020 £'000s</b>	<b>2019 £'000s</b>
Wholly repayable within five years	54	64
Less: included in current liabilities	(10)	(10)
	<u>44</u>	<u>54</u>
Amounts included above	<u>44</u>	<u>54</u>
<b>Loan maturity</b>		
Debt due in one year or less	10	10
Due in more than one year but not more than two years	10	10
Due in more than two years but not more than five years	34	30
Due in more than five years	-	14
	<u>54</u>	<u>64</u>

### 17 Deferred income

	2020 £'000s	2019 £'000s
Deferred income is included within:		
Creditors due within one year	159	166
	<u>159</u>	<u>166</u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17	Deferred income	(Continued)	
	Deferred income at 1 September 2019	166	136
	Released from previous years	(166)	(136)
	Resources deferred in the year	159	166
	<b>Deferred income at 31 August 2020</b>	<b>159</b>	<b>166</b>

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

18	Funds	Balance at 1 September 2019 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2020 £'000s
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	9,707	(8,877)	(830)	-
	Other DfE / ESFA grants	-	808	(808)	-	-
	Other government grants	-	861	(861)	-	-
	Teaching School	-	25	(29)	4	-
	Other restricted funds	12	206	(218)	-	-
	Pension reserve	(2,553)	-	(484)	124	(2,913)
		<u>(2,541)</u>	<u>11,607</u>	<u>(11,277)</u>	<u>(702)</u>	<u>(2,913)</u>
	<b>Restricted fixed asset funds</b>					
	DfE group capital grants	-	35	-	(41)	(6)
	General fixed assets	20,631	-	(603)	867	20,895
		<u>20,631</u>	<u>35</u>	<u>(603)</u>	<u>826</u>	<u>20,889</u>
	<b>Total restricted funds</b>	<u>18,090</u>	<u>11,642</u>	<u>(11,880)</u>	<u>124</u>	<u>17,976</u>
	<b>Unrestricted funds</b>					
	General funds	3,606	432	(580)	144	3,602
	<b>Total funds</b>	<u>21,696</u>	<u>12,074</u>	<u>(12,460)</u>	<u>268</u>	<u>21,578</u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 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 2020.

**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.

**Other restricted funds include Confucius & Mandarin grants for the teaching of Mandarin and Ogden Trust grant for specific local science partnership.**

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

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

	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,359	(9,666)	307	-
Other DfE / ESFA grants	-	372	(372)	-	-
Other government grants	-	802	(798)	(4)	-
Teaching School	-	46	(50)	4	-
Other restricted funds	32	189	(209)	-	12
Pension reserve	(1,119)	-	(335)	(1,099)	(2,553)
	<u>(1,087)</u>	<u>10,768</u>	<u>(11,430)</u>	<u>(792)</u>	<u>(2,541)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	489	-	(489)	-
General fixed assets	21,049	-	(600)	182	20,631
	<u>21,049</u>	<u>489</u>	<u>(600)</u>	<u>(307)</u>	<u>20,631</u>
<b>Total restricted funds</b>	<u>19,962</u>	<u>11,257</u>	<u>(12,030)</u>	<u>(1,099)</u>	<u>18,090</u>
<b>Unrestricted funds</b>					
General funds	<u>3,029</u>	<u>561</u>	<u>(211)</u>	<u>227</u>	<u>3,606</u>
<b>Total funds</b>	<u>22,991</u>	<u>11,818</u>	<u>(12,241)</u>	<u>(872)</u>	<u>21,696</u>



# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2020 £'000s
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	20,889	20,891
Current assets	3,602	1,132	-	4,732
Creditors falling due within one year	-	(1,088)	-	(1,088)
Creditors falling due after one year	-	(44)	-	(44)
Defined benefit pension liability	-	(2,913)	-	(2,913)
	<u>3,602</u>	<u>(2,913)</u>	<u>20,889</u>	<u>21,578</u>

### 20 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 2016, and that of the LGPS related to the period ended 31 March 2019.

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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pensions and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £1,193k (2019: £767k).

#### Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 23.6% for employers and 5.5%- 12.5% for employees.

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

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pensions and similar obligations (Continued)

Total contributions made	2020 £'000s	2019 £'000s
Employer's contributions	299	293
Employees' contributions	100	91
Total contributions	399	384
Principal actuarial assumptions	2020 %	2019 %
Rate of increases in salaries	3.2	2.9
Rate of increase for pensions in payment	2.2	2.3
Discount rate	1.7	1.8

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

	2020 Years	2019 Years
Retiring today		
- Males	21.5	20.9
- Females	23.7	23.2
Retiring in 20 years		
- Males	22.7	22.2
- Females	25.3	24.5

	2020 £'000s	2019 £'000s
Discount rate -0.5%	1,119	1,190
Salary increase + 0.5%	119	173
Pension increase + 0.5%	979	992

The academy trust's share of the assets in the scheme	2020 Fair value £'000s	2019 Fair value £'000s
Equities	4,767	4,794
Bonds	1,760	1,889
Cash	147	145
Property	660	436
Total market value of assets	7,334	7,264

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pensions and similar obligations

(Continued)

Actual return on scheme assets - gain/(loss)	(238)	455
	<u></u>	<u></u>
<b>Amounts recognised in the statement of financial activities</b>	<b>2020</b>	<b>2019</b>
	<b>£'000s</b>	<b>£'000s</b>
Current service cost	733	593
Interest income	(134)	(186)
Interest cost	184	221
	<u></u>	<u></u>
Total operating charge	783	628
	<u></u>	<u></u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2020</b>	<b>2019</b>
	<b>£'000s</b>	<b>£'000s</b>
Obligations at 1 September 2019	9,817	7,624
Current service cost	733	593
Interest cost	184	221
Employee contributions	100	91
Actuarial (gain)/loss	(496)	1,368
Benefits paid	(91)	(80)
	<u></u>	<u></u>
At 31 August 2020	10,247	9,817
	<u></u>	<u></u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2020</b>	<b>2019</b>
	<b>£'000s</b>	<b>£'000s</b>
Assets at 1 September 2019	7,264	6,505
Interest income	134	186
Actuarial loss/(gain)	(372)	269
Employer contributions	299	293
Employee contributions	100	91
Benefits paid	(91)	(80)
	<u></u>	<u></u>
At 31 August 2020	7,334	7,264
	<u></u>	<u></u>

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £'000s	2019 £'000s
Net expenditure for the reporting period (as per the statement of financial activities)	(242)	(196)
Adjusted for:		
Capital grants from DfE and other capital income	(35)	(489)
Investment income receivable	(3)	(5)
Defined benefit pension costs less contributions payable	434	300
Defined benefit pension scheme finance cost	50	35
Depreciation of tangible fixed assets	603	605
(Loss)/profit on disposal of fixed assets	-	(5)
(Increase) in debtors	(81)	(195)
Increase in creditors	480	35
<b>Net cash provided by operating activities</b>	<b>1,206</b>	<b>85</b>

### 22 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the 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.

### 23 Commitments under operating leases

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

	2020 £'000s	2019 £'000s
Amounts due within one year	16	3
Amounts due in two and five years	17	1
	<b>33</b>	<b>4</b>

## NEW RIVER TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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#### 24 Capital commitments

	2020 £'000s	2019 £'000s
Expenditure contracted for but not provided in the accounts	1,300	-

#### 25 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.

#### 26 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.

#### 27 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 £43,405 relating to undistributed funds. During the year the academy received an additional £17,100 which was added to the fund balance and disbursed £19,485 from the fund, which includes an administration fee of £2,100 payable to the academy. An amount of £41,020 is included in other creditors relating to undistributed funds.

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2020 the trust received £54,405 and distributed £48,609 from the fund. An amount of £5,796 is 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 2020 the trust received £91,950 and distributed the whole amount, there is no balance held at the year end.

# NEW RIVER TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 28 Teaching School trading account

	2020		2019	
	£'000s	£'000s	£'000s	£'000s
<b>Direct income</b>				
Government grants		25		46
<b>Direct costs</b>				
Direct staff costs	21		23	
Staff development	6		6	
	<u>27</u>		<u>29</u>	
<b>Other costs</b>				
Other support costs	2		21	
	<u>2</u>		<u>21</u>	
<b>Total operating costs</b>		(29)		(50)
Transfers between funds excluding depreciation		4		4
<b>Surplus from teaching school</b>		-		-
Teaching School balances at 1 September 2019		-		-
Teaching School balances at 31 August 2020		-		-