

Company Registration No. 07708890 (England and Wales)

NEW RIVER TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

WEDNESDAY



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NEW RIVER TRUST

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NEW RIVER TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

J Beer
S Gold
M McKenzie (Accounting Officer)
L Pinnick
J Scott (Chair of Trustees)
R Wells
J Oldham (Appointed 23 August 2018)
D F Stout (Appointed 17 August 2018)

Members

S Daley
S Gold
N Scott (from 8 March 2018)
G Wyse
R Wells

Alexandra Park School Governors

L Hamlin - (resigned 15 May 2018)
U Hamid- Dizier - (appointed 3 October 2017)
K Harrison - (resigned 2 November 2017, reappointed 5 December 2017)
L Jones
M McKenzie - (Headteacher)
L Pinnick - (Chair of Local Governors)
F Reynolds - (elected 21 February 2018)
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)

NEW RIVER TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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

NEW RIVER TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Haringey. It has a pupil capacity of 1290 and had a roll of 1637 in the school census on 05 October 2017.

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 governors are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 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 2018

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. The Trustees induction programme also includes a finance induction meeting with the Finance Director. Trustees and Local Governors will always have a safeguarding 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 Resources Committee and the Local Governors' Advisory Group and their Terms of Reference.

There is an annual planning and development event, that includes presentations aimed at keeping Trustees and Local Governors updated on relevant developments that impact on their roles and responsibilities. Local Governors and Trustees receive training and/or updating presentations or sessions in advance of meetings. External training is undertaken as required.

NEW RIVER TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Resources Committee and, for Alexandra Park School (currently the single school within the Academy Trust), a Local Governors' Advisory Group (LGAG). It has determined membership, terms of reference and delegated responsibilities and procedures for the Resources Committee and the LGAG. It receives minutes and reports, including policies, from the Resources Committee for consideration and/or ratification and receives the minutes of the LGAG. A Trustee currently acts as Chair of the LGAG.

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

The Headteacher, one Deputy Headteacher, the Finance Director and the Resources Committee are responsible for the authorisation of spending within agreed budgets as summarised in the Scheme of 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. On behalf of the Board of Trustees, the Pay Committee undertakes the CEO and Headteacher's annual performance appraisal in accordance with the Trust's performance appraisal policy and determines annual salary in accordance with the Trust's Pay Policy, approved by the Board of Trustees. The Pay Committee reports on the outcome of the CEO annual performance appraisal and salary review to the Board of Trustees.

The Resources 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 2018

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	4.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
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	-
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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 2018

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 promote an ethos across the NRT that values learning for all
- To create a network of academies with a culture of educational improvement and excellence
- To foster positive inclusive environments where individuals can thrive
- To provide a relevant and purposeful curriculum across the NRT
- To ensure effective systems for the monitoring and intervention of key areas of school life

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 it's approach to MAT growth in the Trust's five-year goal as follows:

"New River Trust will take a prudent and sustainable approach to growth. The Trust will expand its number of academies within the North London area through collaboration and cooperation and by building a reputation for high quality education.

Potential joiner schools will be assessed on the basis of:

- Their desire to join the Trust and their potential to achieve
- Their alignment with the Trust's vision and values
- Due consideration of their financial position

In line with its vision, New River Trust's key offer is to harness the potential of all its schools. Alexandra Park School's unique journey towards success demonstrates the effectiveness of New River Trust's approach and will be used to strengthen and inform practice across the Trust."

NEW RIVER TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 opportunities arising from national changes in education policy and funding. In 2017-18, these include the following:

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

With reference to MAT growth, in 2017-18 the Trust focussed on preparing for growth through external cooperation and collaboration and by building a reputation for quality education in line with its five-year goal. This activity included leadership of and participation in collaborative interventions working across a number of schools, for example: Haringey Education Partnership; Secondary SENCO forum lead (Haringey grant); 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 2017-2018 were as follows:

Children in Care

Social/Medical needs

Brother or sister already attending the school

Children of Staff

Distance from the school

Tie breaker - children living closest to the school

NEW RIVER TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

The Trust teaches young people from the age of 11-18. Sixth Form students at Alexandra Park School achieved a 100% pass rate at A level in 2017-18, with 88% of students achieving A*-C grades; 62% achieving A*-B grades. The average grade moved up from a C+ to a B-. The majority of GCSEs sat were the new more rigorous standard and were graded numerically from 9 to 1. The Academy Trust's performance in the new "4+" English and Maths" grades was 81%. The figure for "5+" is 62%. In all, 77 of the school's cohort of 200 students achieved the top "5+", grades with 1 in 5 of them achieving 10 or more top grades.

The Trust holds a number of awards and kitemarks, reflecting its commitment to excellence in education. In 2018 it was awarded a 'World Class School' award.

Alexandra Park School is heavily oversubscribed. It received 1829 applications for the 232 places available in Year 7 in September 2018, 1033 of these were first and second choice applications.

The Trust met its objectives for 2017-18. 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 2017- 2018 were 1637, an increase of 48 over 2016-2017.

Another key financial performance indicator is staffing costs as a percentage of total income and in the 2017-2018 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 2018

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 2018 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 2018, total expenditure of £11,283k (2017: £10,703k) 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 £70k (2017: excess of income over expenditure was 307k). This excludes the gain on investments of £166k (2017: £163k).

At 31 August 2018 the net book value of fixed assets was £21,049k (2017: £21,303k). Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of Alexandra Park School.

The London Borough of Haringey Pension Fund, in which the Trust participates, showed a deficit of £1,119k (2017: £1,531k) at 31 August 2018. Of this sum, £1,015k was inherited by Alexandra Park School from the London Borough of Haringey on 1 October 2011, the date the local authority's staff transferred to employment with the Trust.

Reserves policy

The Board of Trustees reviews its reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, which is approximately £868k (2017: £800k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves of £3,028k (2017: £2,734k) (total funds less the amount held in fixed assets and restricted funds) is greater than is needed and appropriate capital investment plans are under active consideration. In light of the Government freeze on school budgets and the potential impact of introduction of a national funding formula, however, the school has determined that it is prudent to wait before committing to a specific capital plan before that date.

Investment policy

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 2018 of £22,991k (2017: £22,560) comprising £19,963 (2017: £19,826k) of restricted funds and £3,028k (2017: £2,734k) of unrestricted general funds.

Of the restricted funds £21,049k (2017: £21,303k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £1,119k (2017: £1,531k) in deficit.

NEW RIVER TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 of £1,119k (2017: £1,531k). 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 (eg competitor schools). 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. 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 2018

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 2018 was the highest number to date, with Alexandra Park School receiving the most first preferences of any Haringey school; the most second preferences; and the most third preferences.

Safeguarding and Child Protection

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

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 2018-2019 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 2018

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 2018-2019 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 goal as outlined above. The five year goal will form the basis of future plans, with a focus on building a reputation for high quality education through collaboration and partnership building.

Funds held as custodian trustee on behalf of others

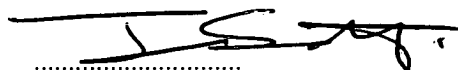
During the year and in response to a request from the London Borough of Haringey (LBH) the academy has acted as an agent for the Network Learning Community (NLC). The NLC is a consortium of all primary schools located in the west of the LBH. The NLC meets regularly at Alexandra Park School to consider and co-ordinate improvement and support initiatives across its consortium schools. The Trust had a brought forward creditor balance of £60,156 relating to undistributed funds. During the year the Trust received an additional £27,100 which was added to the fund and disbursed £36,452 from the fund, which includes an administration fee of £2,100 payable to the academy. An amount of £50,804 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 13/12/18 and signed on its behalf by:



J Scott

Chair of Trustees

NEW RIVER TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 95% as per below.

Trustees	Meetings attended	Out of possible
J Beer	5	6
S Gold	6	6
M McKenzie (Accounting Officer)	6	6
L Pinnick	6	6
J Scott (Chair of Trustees)	6	6
R Wells	5	6
J Oldham (Appointed 23 August 2018)	0	0
D F Stout (Appointed 17 August 2018)	1	1

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 discussed these reports at the AGM and made recommendation to the Board of Trustees in relation to recruitment and succession planning. Two new Trustees were added to the Board as a result of these reviews, further enhancing the skillset of the Board and ensuring robust succession planning.

Trustees commissioned an external review, which included a review of Trust Governance. Trustees will receive the findings of the external review in the coming year.

NEW RIVER TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The resources committee is a sub-committee of the main 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 Resources Committee also functions as audit committee in accordance with section 2.9.2 of the Academies Financial Handbook. Attendance at meetings of the committee was 87% as per below.

Attendance at meetings in the year was as follows:

Not included in the list below are two local governing body members, N Scott (Chair of Resources Committee) & K Harrison who make up the remainder of the committee. Both attended 5 out of 5 possible meetings during the year.

Trustees	Meetings attended	Out of possible
S Gold	5	5
M McKenzie (Accounting Officer)	5	5
L Pinnick	3	5
J Scott (Chair of Trustees)	5	5

NEW RIVER TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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. Performance at KS4 and 5 has improved incrementally ever year: In 2017-2018 80% of students gained 5 or more 'good' at GCSE including English and maths, with an Attainment 8 score of 57 and a progress 8 score of 0.5. Students received a 100% pass rate at A2, with 87% achieving A*-C grades, over half of which were A*-B grades.

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

Financial Governance and Oversight

The Trusts' governance arrangements include regular financial monitoring by the Board of Trustees and its committees, including the Resources committee. The Board of Trustees and the Resources Committee receive regular financial reports and ask relevant questions as evidenced in the minutes.

The work of the Board and Resources Committee is further informed by regular internal audit reports undertaken by Wilkins Kennedy.

Better Purchasing

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in New River Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

NEW RIVER TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 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 2017-2018. 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 Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. All work was completed as planned and actions implemented to bring about improvements where these were identified. There were no material control issues.

The schedule of audit work agreed by the Resources Committee for 2017-18 was undertaken via two audit visits, one in January 2018 and one in April 2018. Visit 1 included a review and testing of website information; Financial Procedures; Register of Pecuniary Interests; Whistle Blowing Policy; Data Protection; Alexandra Park School Development Plan; Related Party Transactions; Year-End Procedures; Bank Procedures; Financial Accounting Records and Systems; Risk Register and Payroll. Visit 2 included a review and testing of controls in relation to, Purchasing; Assets; Gifts and Hospitality; Data Security; Monthly Management Reporting; GAG Income, non-GAG Income; VAT and Other Taxation; Budgeting and Cashflow Process; Other Income; Compliance and New Trustees/Governors' Induction. There were four management recommendations arising out of the two visits, none of which were graded above 'merits attention' and the majority graded 'housekeeping'. All recommendations were agreed and were subsequently addressed by the Trust.

Review of effectiveness

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

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

NEW RIVER TRUST

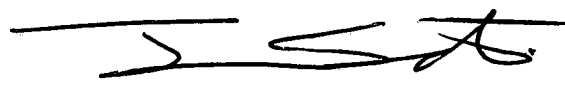
GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 13/12/18 and signed on its behalf by:


M McKenzie
Accounting Officer


J Scott
Chair of Trustees

NEW RIVER TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

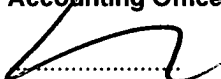
FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of New River Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & 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 2017.

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 2017.

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



NEW RIVER TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 13/12/18 and signed on its behalf by:



J Scott
Chair of Trustees

NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of New River Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

Wilkins Kennedy Audit Services

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

18/12/2018

Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New River Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of New River Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

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

Dated: 18/12/2018

NEW RIVER TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds	Restricted funds:		Total	Total
	Notes	£'000s	General	Fixed asset	2018	2017
		£'000s	£'000s	£'000s	£'000s	£'000s
Income from:						
Donations and capital grants	3	253	10	32	295	780
Charitable activities:						
- Funding for educational operations	4	-	10,081	-	10,081	9,927
- Funding for teaching school	28	-	40	-	40	47
Other trading activities	5	265	145	-	410	344
Investments	6	8	-	-	8	10
Total income		526	10,276	32	10,834	11,108
Expenditure on:						
Charitable activities:						
- Educational operations	8	127	10,559	551	11,237	10,649
- Teaching School	28	-	46	-	46	54
Total expenditure	7	127	10,605	551	11,283	10,703
Gains on investments		166	-	-	166	163
Net income/(expenditure)		565	(329)	(519)	(283)	568
Transfers between funds		(271)	6	265	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	714	-	714	2,040
Net movement in funds		294	391	(254)	431	2,608
Reconciliation of funds						
Total funds brought forward		2,734	(1,477)	21,303	22,560	19,952
Total funds carried forward		3,028	(1,086)	21,049	22,991	22,560

NEW RIVER TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2017 £'000s
Income and endowments from:					
Donations and capital grants	3	203	29	548	780
Charitable activities:					
- Funding for educational operations	4	-	9,927	-	9,927
- Funding for teaching school	28	-	47	-	47
Other trading activities	5	332	12	-	344
Investments	6	10	-	-	10
Total income and endowments		545	10,015	548	11,108
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	10,199	450	10,649
- Teaching School	28	-	54	-	54
Total expenditure	7	-	10,253	450	10,703
Gains on investments		163	-	-	163
Net income/(expenditure)		708	(238)	98	568
Transfers between funds		(894)	7	887	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	2,040	-	2,040
Net movement in funds		(186)	1,809	985	2,608
Reconciliation of funds					
Total funds brought forward		2,920	(3,286)	20,318	19,952
Total funds carried forward		2,734	(1,477)	21,303	22,560

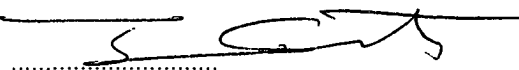
NEW RIVER TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£'000s	£'000s
Fixed assets			
Tangible assets	12	21,049	21,303
Current assets			
Stocks	13	-	1
Debtors	14	277	811
Investments	15	2,195	1,294
Cash at bank and in hand		1,226	2,321
		<u>3,698</u>	<u>4,427</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(578)	(1,584)
Net current assets		<u>3,120</u>	<u>2,843</u>
Total assets less current liabilities		<u>24,169</u>	<u>24,146</u>
Creditors: amounts falling due after more than one year	17	(59)	(55)
Net assets excluding pension liability		<u>24,110</u>	<u>24,091</u>
Defined benefit pension liability	21	(1,119)	(1,531)
Net assets		<u><u>22,991</u></u>	<u><u>22,560</u></u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds		21,049	21,303
- Restricted income funds		33	54
- Pension reserve		(1,119)	(1,531)
Total restricted funds		<u>19,963</u>	<u>19,826</u>
Unrestricted income funds	19	<u>3,028</u>	<u>2,734</u>
Total funds		<u><u>22,991</u></u>	<u><u>22,560</u></u>

The financial statements on pages 26 to 50 were approved by the trustees and authorised for issue on 13/12/18 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 2018

	Notes	2018 £'000s	2017 £'000s
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	(112)	1,058
Cash flows from investing activities			
Dividends, interest and rents from investments		8	10
Capital grants from DfE and EFA		32	548
Payments to acquire tangible fixed assets		(297)	(1,509)
Payments to acquire investments		(735)	-
		(992)	(951)
Cash flows from financing activities			
Repayment of other loan		9	65
		9	65
Change in cash and cash equivalents in the reporting period		(1,095)	172
Cash and cash equivalents at 1 September 2017		2,321	2,149
Cash and cash equivalents at 31 August 2018		1,226	2,321

NEW RIVER TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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%

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

1.6 Liabilities

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

1.7 Leasing commitments

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

1.8 Investments

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

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

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.11 Taxation

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

1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.14 Agency arrangements

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

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Capital grants	-	32	32	548
Other donations	253	10	263	232
	<u>253</u>	<u>42</u>	<u>295</u>	<u>780</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	9,095	9,095	8,935
Other DfE group grants	-	276	276	337
	<u>-</u>	<u>9,371</u>	<u>9,371</u>	<u>9,272</u>
Other government grants				
Local authority grants	-	709	709	655
Special educational projects	-	41	41	47
	<u>-</u>	<u>750</u>	<u>750</u>	<u>702</u>
Total funding	<u>-</u>	<u>10,121</u>	<u>10,121</u>	<u>9,974</u>

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Hire of facilities	77	-	77	99
Other income	188	145	333	245
	<u>265</u>	<u>145</u>	<u>410</u>	<u>344</u>

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Short term deposits	8	-	8	10
	<u>8</u>	<u>-</u>	<u>8</u>	<u>10</u>

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000s	Non Pay Expenditure Premises £'000s	Other £'000s	Total 2018 £'000s	Total 2017 £'000s
Academy's educational operations					
- Direct costs	7,367	338	936	8,641	8,433
- Allocated support costs	1,480	801	315	2,596	2,216
Teaching School					
- Direct costs	22	-	-	22	-
- Allocated support costs	-	-	24	24	54
	<u>8,869</u>	<u>1,139</u>	<u>1,275</u>	<u>11,283</u>	<u>10,703</u>

Net income/(expenditure) for the year includes:

	2018 £'000s	2017 £'000s
Fees payable to auditor for:		
- Audit	10	10
- Other services	2	2
Operating lease rentals	1	4
Depreciation of tangible fixed assets	551	450
Net interest on defined benefit pension liability	41	68
	<u></u>	<u></u>

8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Direct costs - educational operations	127	8,514	8,641	8,433
Direct costs - teaching school	-	22	22	-
Support costs - educational operations	-	2,596	2,596	2,216
Support costs - teaching school	-	24	24	54
	<u>127</u>	<u>11,156</u>	<u>11,283</u>	<u>10,703</u>

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities

(Continued)

Analysis of costs	Teaching School £'000s	Educational operations £'000s	Total 2018 £'000s	Total 2017 £'000s
Direct costs				
Teaching and educational support staff costs	14	7,354	7,368	7,142
Staff development	8	13	21	31
Depreciation and amortisation	-	338	338	318
Educational supplies and services	-	688	688	656
Examination fees	-	197	197	198
Educational consultancy	-	15	15	45
Other direct costs	-	36	36	43
	<u>22</u>	<u>8,641</u>	<u>8,663</u>	<u>8,433</u>
Support costs				
Support staff costs	-	1,480	1,480	1,319
Depreciation and amortisation	-	213	213	132
Maintenance of premises and equipment	-	187	187	94
Cleaning	-	161	161	125
Energy costs	-	139	139	132
Rent and rates	-	43	43	44
Insurance	-	42	42	43
Security and transport	-	16	16	10
Catering	-	42	42	50
Interest and finance costs	-	41	41	68
Other support costs	24	207	231	222
Governance costs	-	25	25	31
	<u>24</u>	<u>2,596</u>	<u>2,620</u>	<u>2,270</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000s	2017 £'000s
Wages and salaries	6,595	6,373
Social security costs	692	673
Pension costs	1,333	1,281
Staff costs	<u>8,620</u>	<u>8,327</u>
Agency staff costs	228	134
Staff development and other staff costs	21	31
Total staff expenditure	<u>8,869</u>	<u>8,492</u>

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff wages and salaries costs are non-statutory/non-contractual severance payments totalling £19,358 (2017: £NIL). The payment was made in October 2017.

Staff numbers

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

	2018 Number	2017 Number
Teachers	97	98
Administration and support	60	68
Management	10	9
	<u>167</u>	<u>175</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000-£70,000	5	6
£70,001-£80,000	3	2
£160,001 - £170,000	1	1
	<u>9</u>	<u>9</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 and the finance manager. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £858,676 (2017: £815,387).

The academy trust incurred employers national insurance costs of £90,306 (2017: £85,579) in respect of these employee benefits.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 £330 (2017: nil) were reimbursed to one trustee (2017: £NIL).

The value of trustees' remuneration was as follows:

M McKenzie (headteacher)

Remuneration: £165,001- £170,000 (2017: £165,001-£170,000)

Employers pension contributions: £25,001 - £30,000 (2017: £25,001-£30,000)

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

11 Trustees and officers insurance

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

12 Tangible fixed assets

	Freehold land and buildings	Assets under the course of construction	Computer equipment	Furniture and fittings	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Cost						
At 1 September 2017	22,580	-	207	993	26	23,806
Additions	18	-	36	243	-	297
At 31 August 2018	22,598	-	243	1,236	26	24,103
Depreciation						
At 1 September 2017	1,849	-	124	504	26	2,503
Charge for the year	338	-	51	162	-	551
At 31 August 2018	2,187	-	175	666	26	3,054
Net book value						
At 31 August 2018	20,411	-	68	570	-	21,049
At 31 August 2017	20,731	-	83	489	-	21,303

Included in land and buildings is land valued at £5,709K (2017: £5,709K) which is not depreciated.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13	Stocks	2018 £'000s	2017 £'000s
	Other stock	-	1

14	Debtors	2018 £'000s	2017 £'000s
	Trade debtors	11	12
	VAT recoverable	63	243
	Prepayments and accrued income	203	556
		277	811

15 Current asset investments

	£'000s
Balance brought forward	1,294
Additions	735
Gains in year	166
Balance carried forward	<u>2,195</u>

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

16	Creditors: amounts falling due within one year	2018 £'000s	2017 £'000s
	Other loans	15	10
	Trade creditors	65	1,172
	Other creditors	91	76
	Accruals and deferred income	407	326
		578	1,584

Included within other creditors is a loan of £73,845 (2017: £64,619) from Salix which is repayable over 8 years and which is interest free.

17	Creditors: amounts falling due after more than one year	2018 £'000s	2017 £'000s
	Other loans	59	55

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

		(Continued)	
17	Creditors: amounts falling due after more than one year	2018	2017
	Analysis of loans		
	Wholly repayable within five years	74	65
	Less: included in current liabilities	(15)	(10)
		<u>74</u>	<u>65</u>
	Amounts included above	<u>59</u>	<u>55</u>
		<u>74</u>	<u>65</u>
	Loan maturity		
	Debt due in one year or less	15	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	30	30
	Due in more than five years	19	15
		<u>74</u>	<u>65</u>
		<u>74</u>	<u>65</u>
18	Deferred income	2018	2017
		£'000s	£'000s
	Deferred income is included within:		
	Creditors due within one year	136	181
		<u>136</u>	<u>181</u>
	Deferred income at 1 September 2017	181	127
	Released from previous years	(181)	(127)
	Resources deferred in the year	136	181
		<u>136</u>	<u>181</u>
	Deferred income at 31 August 2018	136	181
		<u>136</u>	<u>181</u>

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.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	54	9,095	(9,149)	-	-
Other DfE / ESFA grants	-	276	(276)	-	-
Other government grants	-	710	(710)	-	-
Teaching School	-	40	(46)	6	-
Other restricted funds	-	155	(122)	-	33
Pension reserve	(1,531)	-	(302)	714	(1,119)
	<u>(1,477)</u>	<u>10,276</u>	<u>(10,605)</u>	<u>720</u>	<u>(1,086)</u>
Restricted fixed asset funds					
DfE group capital grants	-	32	-	(32)	-
General fixed assets	21,303	-	(551)	297	21,049
	<u>21,303</u>	<u>32</u>	<u>(551)</u>	<u>265</u>	<u>21,049</u>
Total restricted funds	<u>19,826</u>	<u>10,308</u>	<u>(11,156)</u>	<u>985</u>	<u>19,963</u>
Unrestricted funds					
General funds	2,734	526	(127)	(105)	3,028
	<u>2,734</u>	<u>526</u>	<u>(127)</u>	<u>(105)</u>	<u>3,028</u>
Total funds	<u>22,560</u>	<u>10,834</u>	<u>(11,283)</u>	<u>880</u>	<u>22,991</u>

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 2018.

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.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

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

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	18,030	(18,030)	-	-
Other DfE / ESFA grants	-	613	(613)	-	-
Other government grants	-	1,365	(1,365)	-	-
Teaching School	-	87	(100)	13	-
Other restricted funds	-	196	(163)	-	33
Pension reserve	(3,286)	-	(587)	2,754	(1,119)
	<u>(3,286)</u>	<u>20,291</u>	<u>(20,858)</u>	<u>2,767</u>	<u>(1,086)</u>
Restricted fixed asset funds					
Transfer on conversion	38	-	-	(38)	-
DfE group capital grants	-	580	-	(580)	-
Capital expenditure from GAG	36	-	-	(36)	-
General fixed assets	20,244	-	(1,001)	1,806	21,049
	<u>20,318</u>	<u>580</u>	<u>(1,001)</u>	<u>1,152</u>	<u>21,049</u>
Total restricted funds	<u>17,032</u>	<u>20,871</u>	<u>(21,859)</u>	<u>3,919</u>	<u>19,963</u>
Unrestricted funds					
General funds	2,920	1,071	(127)	(836)	3,028
	<u>2,920</u>	<u>1,071</u>	<u>(127)</u>	<u>(836)</u>	<u>3,028</u>
Total funds	<u>19,952</u>	<u>21,942</u>	<u>(21,986)</u>	<u>3,083</u>	<u>22,991</u>

20 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2018 £'000s
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	21,049	21,049
Current assets	3,154	544	-	3,698
Creditors falling due within one year	(126)	(452)	-	(578)
Creditors falling due after one year	-	(59)	-	(59)
Defined benefit pension liability	-	(1,119)	-	(1,119)
	<u>3,028</u>	<u>(1,086)</u>	<u>21,049</u>	<u>22,991</u>

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £749k (2017: £738k).

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

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

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 23.7% 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.

Total contributions made	2018 £'000s	2017 £'000s
Employer's contributions	326	332
Employees' contributions	93	85
Total contributions	419	417
Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	3	3
Rate of increase for pensions in payment	2.4	2.4
Discount rate	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	21.8	21.8
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.8	23.8
- Females	26	26

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

	2018 £'000s	2017 £'000s
Discount rate -0.5%	904	1,015
Salary increase + 0.5%	148	363
Pension increase + 0.5%	744	616

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

	2018 Fair value £'000s	2017 Fair value £'000s
Equities	4,294	3,961
Bonds	1,561	1,340
Cash	260	117
Property	390	408

Total market value of assets	6,505	5,826
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Actual return on scheme assets - gain/(loss)	333	433
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Amounts recognised in the statement of financial activities

	2018 £'000s	2017 £'000s
Current service cost	587	549
Interest income	(150)	(104)
Interest cost	191	172
Total operating charge	628	617

Changes in the present value of defined benefit obligations

	2018 £'000s	2017 £'000s
Obligations at 1 September 2017	7,357	8,342
Current service cost	587	549
Interest cost	191	172
Employee contributions	93	85
Actuarial gain	(531)	(1,711)
Benefits paid	(73)	(80)
At 31 August 2018	7,624	7,357

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

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

	2018 £'000s	2017 £'000s
Assets at 1 September 2017	5,826	5,056
Interest income	150	104
Actuarial gain	183	329
Employer contributions	326	332
Employee contributions	93	85
Benefits paid	(73)	(80)
At 31 August 2018	6,505	5,826

22 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £'000s	2017 £'000s
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(449)	405
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(32)	(548)
Investment income receivable	(8)	(10)
Defined benefit pension costs less contributions payable	261	217
Defined benefit pension net finance cost	41	68
Depreciation of tangible fixed assets	551	450
Decrease in stocks	1	3
Decrease/(increase) in debtors	534	(566)
(Decrease)/increase in creditors	(1,011)	1,039
Net cash (used in)/provided by operating activities	(112)	1,058

23 Contingent liabilities

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

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

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

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

24 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000s	2017 £'000s
Amounts due within one year	1	1
Amounts due in two and five years	-	1
	<u>1</u>	<u>2</u>

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 £60,156 relating to undistributed funds. During the year the academy received an additional £27,100 which was added to the fund balance and disbursed £36,452 from the fund, which includes an administration fee of £2,100 payable to the academy. An amount of £50,804 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 2018 the trust received £51,804 and distributed £39,692 from the fund. The balance of £12,112 has been included in other creditors relating to undistributed funds.

The academy trust has also acted as agent with respect to NCTL Schools Direct Income. In the accounting period ended 31 August 2018 the trust received £65,400 and distributed the whole amount, there is no balance held at the year end.

NEW RIVER TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Teaching School trading account	2018		2017	
	£'000s	£'000s	£'000s	£'000s
Direct income				
Government grants		40		47
Direct costs				
Direct staff costs	14		-	
Staff development	8		-	
	<u>22</u>		<u>-</u>	
Other costs				
Other support costs	24		54	
	<u>24</u>		<u>54</u>	
Total expenditure		(46)		(54)
Transfers between funds excluding depreciation		6		7
Surplus/(deficit) from all sources		-		-
Teaching School balances at 1 September 2017		-		-
Teaching School balances at 31 August 2018		-		-