

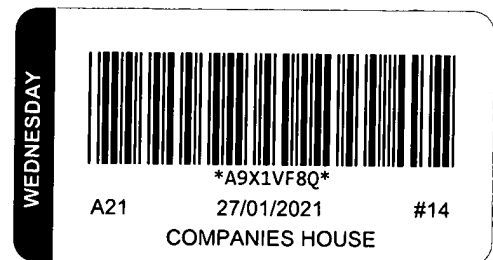
Company Registration Number: 07708713 (England & Wales)

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2020



THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

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Reference and Administrative Details

Parochial Church Council and Southwell and Nottingham Board of Finance are both corporate members. Mrs Mitford and Rev Canon Tanner are their respective nominated representatives.

Members	K C T Cowley I Griffiths (appointed 5 December 2019) K A Mitford (as nominated representative of the Parochial Church Council) Rev J Stephens (appointed 28 October 2019) The Venerable D Picken (resigned 5 December 2019) Rev Canon M Tanner (as nominated representative of Southwell and Nottingham Diocese Board of Finance)
Trustees	K C T Cowley, Chair C M Ball J K Eastwood* C Dean J Oldfield* E Hopkin*, Staff Trustee (resigned 16 November 2019) B R Marshall (appointed 16 March 2020) H James* (resigned 9 March 2020) A Harmston-Hall L Allen* G Johnson (resigned 20 June 2020) A McKibbin (resigned 13 April 2020) S Yardley* M Paine* Rev J L Stephens (resigned 9 September 2020) Rev H Chantry (appointed 4 October 2020)

* Member of Finance and Resources Committee 2019/20

Company registered number	07708713
Company name	The National Church of England Academy Trust
Principal and registered office	Annesley Road Nottingham NG15 7DB
Company secretary	Vacant – consultancy advice on issues being provided by appointed solicitors
Senior management team	M Brailsford, Principal and Accounting Officer K Boothroyd, Vice-Principal A Hawkins, Acting Vice-Principal
Independent auditors	Smith Cooper Audit Limited Chartered Accountants and Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

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Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Bankers	Lloyds Bank 12 - 16 Lower Parliament Street Nottingham NG1 3DA
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

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Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates one secondary academy in Nottinghamshire for the age range of 11 to 19, as a Single Academy Trust. The Trust continues to work in partnership with the Diverse Academies Trust to deliver sixth form provision at the Hucknall Sixth Form Centre. The Academy has a pupil capacity of 1,184 and had a roll of 1,266 (Years 7 - 13) in the school census in October 2019. The Hucknall Sixth Form Centre has a pupil capacity of 300 for the Trust and has a roll of 140 National students based on the school census in October 2019 for National Church of England Academy.

Following the decision by NCEAT Board in June 2019 to dissolve the partnership with Diverse Academies Trust, trustees successfully explored alternative partners with a view to joining a multi-academy trust sharing its Christian ethos. After a thorough and rigorous selection process, NCEAT Board decided in January 2020 to join the MITRE multi-academy trust. It had been hoped to join MITRE by 1 September 2020 but progress was delayed by the Covid-19 pandemic. NCEAT joined MITRE on 1 January 2021 – in the meantime, a Service Level Agreement was agreed between NCEAT and MITRE for MITRE to provide a full range of educational and support services to NCEAT from 1 September 2020. This replaces temporary service provision through Diverse Academies Trust which was in place between September 2019 and 31 August 2020 under a memorandum of understanding between NCEAT and DAT.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee (registration number 07708713) and an exempt charity.

The charitable company's Memorandum and Articles of Association is the primary governing document of the Academy Trust.

The Trustees of The National Church of England Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The National Church of England Academy Trust ("NCEAT").

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchases at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them. This is in respect of any negligence, default or breach of trust or breach of duty for which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard, provided also that any such insurance shall not extend to the costs of any unsuccessful defence of a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

d. Method of recruitment and appointment or election of Trustees

The Trustees, who are also the Directors, are appointed under the terms of the Academy Trust's Articles of Association and the Academy Trust seeks to recruit Trustees / Governors across a broad spectrum so that it represents the community it resides in and as such has divided its membership accordingly as follows:

The Diocese of Nottingham & Southwell: the diocese has the right to nominate twelve Governors (one incumbent, six Diocesan Board of Finance, five Parochial Church Council).

Staff Governors: the constitution of the Academy Trust states that the Governing Body will have three staff governors who will be elected by staff ballot. Further to latest guidance in the Academies Financial Handbook regarding staff governors, staff governor vacancies are not being refilled.

Parent Governors: the constitution equally makes provision for three parental representatives; these are elected by a ballot of parents.

Diverse Academies Trust may appoint two representatives.

Other Governors: there is one community governor, appointed by the Governing Body (The Trustees) with the increased demands on it following academy conversion and has therefore looked to recruit external Governors with differing skills. These Governors are appointed to serve for terms of 4 years.

The Governing Body recognises that it requires a wide skill mix to ensure that it has the expertise to deal issues within its remit and ensures that skills are a key criterion in making appointments, working closely with the Diocese of Southwell and Nottingham where appropriate. The Governing Body reviews the skills mix that it currently has and looks to recruit external governors with specific skills where shortages are identified.

With the exception of ex-officio trustees/governors, all trustees/governors serve four-year terms of office.

e. Policies adopted for the induction and training of Trustees

The Governing Body takes the training and development of its members very seriously and this is demonstrated by the following:

All new Governors are given a detailed induction, this is supplemented by additional training from DALP (see below) and the Academy Trust's solicitors.

Prior to each Academy Trust Board meeting the Governors receive training and updating on a wide variety of topics which are related to Academies and their roles.

The Academy Trust also maintains a training and development budget which it uses to provide additional training and development for its Governors.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

f. Organisational structure

Following the dissolution of the Diverse Academies Learning Partnership, the Academy has operated as a Single Academy Trust throughout 2019/20. Services including Marketing, Property, IT, MIS, Finance and HR were provided to the academy temporarily by Diverse Academies Trust during 2019/20 under a memorandum of understanding between NCEAT and DAT. That agreement came to an end on 31 August 2020, to be replaced by a new Service Level Agreement with MITRE multi-academy trust from 1 September 2020.

The NCEAT board operates within a new scheme of delegation agreed in December 2019 to replace that which was in place under the Diverse Academies Learning Partnership. The underlying principle of which is the Academy Trust must operate with a surplus. Within this the NCEAT Board has wide ranging freedoms.

Overall executive leadership of the Academy rests with the Principal, who was also appointed Accounting Officer during the course of 2019/20. The Principal is supported by a leadership team that includes a Vice-Principal, an Acting Vice-Principal and Assistant Principals and during 2019/20 was also advised by a DAT Senior Executive Leader under the MoU with DAT referenced above.

g. Arrangements for setting pay and remuneration of key management personnel

During 2019/20, NCEAT continued to work within the pay policy previously in place under the Diverse Academies Learning Partnership. These matters were handled through the NCEA Performance and Remuneration Committee. In June 2020, NCEAT resolved to adopt MITRE pay scales for support staff from 1 September 2020, in anticipation of joining MITRE as outlined above.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees	
0%	-	
1%-50%	-	
51%-99%	-	
100%	-	
Percentage of pay bill spent on facility time	£000	
Total cost of facility time	-	
Total pay bill	-	
Percentage of 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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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Following the dissolution of the Diverse Academies Learning Partnership, 2019/20 saw a gradual transition from the leadership arrangements for the Trust which had been in place under that partnership. The shared Chief Executive role came to an end, with the Academy Principal taking full executive responsibility for the Trust. The Principal was also appointed as Accounting Officer for the Trust. DAT's Chief Operating Officer and a DAT Senior Executive Leader continued to provide leadership and financial advice and support as part of the Memorandum of Understanding referenced above. DAT withdrew Company Secretarial support to the Trust in Autumn 2019 – this was replaced through a combination of accessing specialist advice through the Trust's solicitors and strengthened administrative support provided by the Clerk and other Trust administrative staff, pending the Trust joining the MITRE Multi-Academy Trust.

These arrangements have ensured continuity and stability in leadership, pending the move to MITRE. Following the decision to join MITRE, leadership and governance support has also been provided by MITRE senior leaders to ensure ongoing continuity as the Trust moves towards joining MITRE during 2020/21.

Objectives and activities

a. Objects and aims

The Academy Trust's principal activities are the provision of education of pupils between the ages of 11 and 19.

The Academy Trust's primary objective is the delivery of high-quality teaching and learning to every child that attends the Academy within a Christian environment. This is articulated through the objective of the Academy being rated as "Good" or better. The 2018 Ofsted Section 8 inspection confirmed that the academy continues to offer a "Good" standard of education. Additionally, the Academy was graded outstanding in the 2015 SIAMS inspection. The Academy Trust is committed to achieving this through the dissemination of best practice wherever that might be found.

This key objective is supported by the undertaking that the Academy Trust's Corporate Services will also seek to be rated as "Good" or better so that it can provide the support necessary to achieve the key objective.

b. Objectives, strategies and activities

The Trust's overall strategy and annual operating plan are set out in its Annual Improvement Plan (AIP) prepared by academy leaders and agreed by the Academy Trust board. The board then monitor and evaluates progress against the plan as the year progresses. There were a wide range of objectives and a summary can be seen below:

The 2019/20 objectives were:

1. Continuing Development of Leadership and Management
2. Develop a curriculum to ensure all students, including boys, HA and SEND, receive a rich and balanced experience
3. Teachers have consistently high expectations of students and develop highly effective pedagogical approaches to support the improvement of outcomes for all
4. Enhance the climate for learning across the academy for all students, including individualised support packages
5. Deliver outstanding provision for all post 16 students.

Success criteria were set for each of these key objectives and then measured through the DAT CSI (Challenge, Support, Intervention) methodology.

Following the setting of the key objectives and success criteria in September 2019, detailed action plans were created. These plans included key lines of accountability, timelines and all these aspects were judged against

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

relevant impacts. Regular scrutiny is achieved through CSI, accounting reviews, internal and external QA and through performance management discussions. The initial impact showed promise, however, completion of the objectives and use of reliable data and QA to measure impact was affected by the academy closure on March 20th 2020 due to Covid-19 and the cancellation of all summer examinations for 2020 by the government.

c. Public benefit

The Trustees have complied with the duty in Part 3 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. Where the Academy Trust has full control of its facilities it seeks to ensure a broad community use is made of the school facilities outside of the school day and within the school day where this is practical.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

a. Key performance indicators

During the 2019/20 academic year, the Academy underwent an 'AIR' Academy Improvement Review, as part of the school improvement cycle provided by DAT. Where previously the 'FAR' Full Academy Review would have provided graded judgements of the key areas, the new AIR was a totally new style of review which was more aligned with the new OFSTED framework and process.

The 'AIR' involved agreeing trails based on the academy's needs and then providing the academy with key strengths and areas of development and suggested support. The review was completed in February 2020.

Strengths of the 'Quality of education':

- (Intent) Senior leaders plans for the curriculum moving forward are ambitious and use the national curriculum as a minimum expectation
- (Intent) The wider curriculum is successfully adapted for disadvantaged students
- (Intent) The nurture group meets the needs of pupils well. It provides a bridge between primary and secondary with a bespoke curriculum which is skilfully taught
- (Implementation) Where teachers are more skilled at adapting the curriculum to students, useful feedback is provided and expectations are higher for all, teaching is more effective and there is greater consistency for all pupils
- (Implementation) Leaders recognise that reading skills present a barrier for some pupils in accessing curriculum learning and are implementing a reading strategy
- (Implementation) Some subject leaders monitor the implementation of the planned curriculum and use this to support decisions about professional development, adaption of the curriculum and next steps
- (Impact) Pupils develop detailed knowledge and skills across the curriculum. Results in national tests are above the government minimum expectation.
- (Impact) There are some fantastic examples of high-quality pupils' work across the curriculum – particularly in History and Geography
- (Impact) Some pupils are making good progress in English because of the expectations established and good challenge of lessons.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Strengths of 'Behaviour and attitudes':

- A culture of high expectations has been established. Pupils are clear about expectations and consequences.
- Pupils self-regulate around the site and manage their own behaviour well
- There is a clear policy in place for behaviour and this is modelled consistently by leaders and staff
- Strategies to improve attendance continue to be effective
- The academy has clear procedures to address concerns where they arise and to support vulnerable pupils.

Strengths of 'Personal development':

- The academy provides a wide range of extra-curricular opportunities for pupils
- Leaders and staff know children very well and understand the challenges and barriers to learning that they may have
- Children are given a range of support to enable them to have equality of opportunity such as provision of uniform or targeted emotional support
- The academy has introduced PiXL and is exploring the use of the LORIC approach to plan for the overlap between academic skills and personal development
- The academy encourages and supports pupils to engage with the wider community in keeping with the values of the academy.

Strengths of 'Leadership and Management':

- The new Principal has a clear vision and direction for the academy to move forward. The leadership team and staff at all levels are buying into this vision and are supporting him to implement this
- The academy improvement plan concentrates on the right areas. The plan is a work in progress and is agile enough to respond to emerging needs
- There is no evidence that pupils are off-rolled and inclusion and exclusions are used appropriately and sparingly
- Staff feel valued in their roles in the academy. They feel listened to.
- The outcomes from the safeguarding review were very positive with most areas improving from the previous year
- The Principal and his team have made strong efforts to improve relationships with parents and the local community.

Due to the academy closure on March 20th 2020 due to Covid-19, and the cancellation of all summer examinations for 2020, the academy lacks accurate data to compare against targets and use as a key performance indicator.

The following progress data for 2020 has been calculated by using our 'CAGs' centre assessed grades through SISRA. We acknowledge this is not accurate and purely used in the interim as a prediction using external analytics.

Year 11 Progress 8 (Value added overall) was -0.23 in 2018/19 and based on SISRA would have been around -0.06 in 2019/20.

In 2018/19, the % of Ebacc (Grade 4+) fell by 1% from 2017/18 to 21%. SISRA data suggests this figure would be 27% in 2019/20. SISRA also suggests that the % of Ebacc (Grade 5+) improved by 5% to 16% for 2019/20.

NCEAT has continued to see a strong demand for places and it has been oversubscribed for the last 5 years. The Academy will be oversubscribed again in the 2020/21 academic year. Currently the Academy has a PAN of 210.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Key Performance Indicators

The KPI targets are:

Achievement – The Progress 8 target for 2020/21 is to be above Zero (National Average)

Use of resources – the curriculum design and use of teaching and non-teaching staff is reviewed annually. The Academy met its targets relating to staff deployment ratios and class sizes. Further work will take place for 2020/21 to ensure the academy continues to be both efficient and effective.

Financial health – the academy set an in-year budget which reflected in year income and historic reserves. The academy did not exceed the budget in 2019/20. Income was also used appropriately to prepare the academy for reopening and to provide high standards of health and safety as outlined in the academy risk assessment for Covid-19.

b. Going concern

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

c. Review of activities

NCEAT's most recent OFSTED inspection judged the Academy to be 'Good' in March 2018. The last SIAMS inspection judged the academy to be "Outstanding" in September 2015.

KS4 – In 2019/20 all summer examinations were cancelled by the government due to Covid-19. The government requested that centres provide exam boards with 'CAG's' centre assessed grades.

KS5 – In 2019/20 all summer examinations were cancelled by the government due to Covid-19. The government took the decision to use an algorithm to produce student grades and after results day this changed to being 'CAG's' centre assessed grades.

Financial review

This set of accounts shows the financial performance of the Academy Trust for the year ended 31 August 2020. The statement of financial activities shows the Academy Trust made a deficit before other recognised gains and losses of £770k in the year ended 31 August 2020 (2019: deficit of £714k).

The Academy Trust held fund balances at 31 August 2019 of £4,228k (2019: £5,104k) comprising a £81k surplus (2019: £205k surplus) of restricted general funds (excluding pension reserve) and £435k (2019: £416k) of unrestricted general funds and a pension reserve deficit of £4,245k (2019: £3,849k). The majority of the net assets relate to fixed asset funds (land and buildings) being £7,995k (2019: £8,332k).

The Academy Trust had an increase in the amount of cash generated from operations in year by £45k, from 218k in 2019 to £263k in 2020. The Academy Trust had cash of £1,076K at the end of 2020.

The Trustees have built up the level of reserves that will allow the Academy Trust to mitigate any potential adverse funding changes in the coming years as well as enabling investment in an ageing school site and responding to the Covid-19 pandemic.

The Academy Trust also holds a number of unexpendable reserves, which make up the balance of the total funds of £4,228k. These other funds are:

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Fixed asset fund of £7,995k: the fixed asset fund is reduced annually by the value of depreciation on assets supported by the fund. This fund is made up of the following:

- Assets transferred on conversion – upon conversion to Academy status, the Academy Trust was gifted the land and buildings it had operated in whilst a local authority maintained school on a long lease of 125 years and following an independent valuation has included the land at a valuation of £650k and the buildings at a valuation of £11,362k. These buildings are being depreciated equally over 25 years in line with the Academy's financial policies and discussions with the Academy Trust's financial advisors. The land is being depreciated over the lease term.
- Assets funded by grants or transfer of funds from the Academy Trust's revenue funds.
- Grants for projects where the grant has been received ahead of expenditure, the fund will be used to finance the future capital spend.

Buildings the Academy Trust is very aware that its buildings are in need of constant attention requiring considerable resources into maintenance and where possible enhancing the fabric of the buildings. It has done this through:

- Ongoing maintenance programmes designed to address key strategic issues such as boilers, windows and roofs;
- Active review of all available grants.

From 1st January 2020, NCEAT agreed to work under an MOU with an SLA in place with Diverse Academies Trust. This gave greater local control over the priorities to be addressed. NCEAT aim to permanently join a Christian Multi Academy Trust in 2021.

Financial Policies

During the accounting period National Church of England Academy adhered to the Diverse Academies Financial Policies and the internal audit has confirmed that there were no material breaches of these policies.

d. Main sources of funding

Donations and capital grants – see note 4. This note includes capital grants from the ESFA.

Funding for the Academy's educational operations – see note 5. The main funding the Academy Trust receives is the General Annual Grant of £6,260k (2019: £6,187k) for provision of education within its Academy. This is funded by a formula based on pupil numbers, an element of small fixed payment per school and also recognises the level of deprivation. The ESFA pays this funding. This income also includes contributions for school trips and school fundraising activity.

Other trading activities – see below note 6. This includes the hire out of facilities.

Financial review

a. Reserves policy

Total useable reserves, defined as restricted general reserves (excluding the pension reserve) and unrestricted reserves, were £534k (2019: £621k).

The Academy Trust seeks to maintain a minimum of the equivalent of 30 days turnover in usable reserves. The Academy Trust holds reserves for the following reasons;

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Financial review (continued)

- As a buffer to allow the Academy to meet year to year changes in pupil numbers without the need to make short term adjustments to staffing and also to meet the potential for ongoing restructuring if reduced funding or student numbers dictate. It also holds the cash for unforeseen circumstances.
- To support the need to constantly invest in the infrastructure of the Academy to ensure that the quality of the environment is continually enhanced.
- To support the development of HSFC/Post 16 so that high education standards are maintained and improved.

b. Investment policy

The Academy Trust will look to invest any surplus funds it has in short term deposits which whilst not generating substantial returns do ensure that the Academy Trust can gain easy access to its funds and minimise its exposure to any losses.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, and are satisfied that systems and procedures are in place to mitigate the exposure to major risks. The Trustees are aware of the significant risks facing the Academy Trust since it achieved Academy status; these surround in particular the finances of the Academy Trust, the quality of its buildings and the need to enhance the facilities, as well as the need to continually increase the quality of the teaching and learning it provides for its students. Discussions surrounding these key risks are undertaken within a variety of forums including full Governing Body meetings and finance and resource committee meetings.

The Academy Trust has looked to make ongoing improvements to its overall systems of internal control through regular reviews by the Academy Trust's responsible officer and its auditors. The outcomes of these reviews have been addressed by the Academy Trust to ensure that ongoing improvements are achieved.

The principal financial risk facing the Academy Trust over the next 12 - 24 months is the Covid-19 additional measures and their financial implications, financial claims from Diverse Academies Trust along with lagged funds and concerns for projected year on year growth.

The other significant risks facing the Academy Trust over the next 12 - 24 months are as follows:

- The need to improve the quality of the building stock that the Academy operates from within, with a view to not only improving the Health and Safety of its surroundings but the overall quality of the buildings and the resources contained within them.

d. Financial risk management objectives and policies

The Academy Trust has the following financial uncertainties facing it over the coming 12 - 24 months:

- Real term cuts in education funding
- Availability of capital funding;
- Changes in pension funding assumptions.
- Funding for Covid-19 responses and preparation for re-opening in 2020

The Academy Trust considers any risk as an intrinsic part of any decisions it makes. The Academy Trust operates a risk register that reviews both strategic and operational risks; this plan looks at the key ways of mitigating these risks.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Financial review (continued)

e. Pension deficit

The Trustees recognise that there is a significant pension deficit of £4,245k (2019: £3,849k) which can vary time to time depending on economic circumstances. The Trustees concern themselves with the overall level of contribution necessary to meet its cash payments to the schemes.

Fundraising

The Academy Trust carries out a limited amount of fundraising, and is mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Academy Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored by senior leaders in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

Plans for future periods

The Academy Trust's plans for the coming 12 - 24 months involve the following:

- Ongoing emphasis on increasing standards of achievement to support the journey to being recognised as an outstanding academy.
- Continual review of all available grant funding available so that the Academy Trust can continue the ongoing development of its infrastructure to support ongoing curriculum developments.
- A smooth transition into joining a MAT and the use of their systems and school improvement support
- Longer term consideration of curriculum planning and physical building development and improvement
- Making efficiency savings to offset additional pension, national insurance and inflationary cost rises

Funds held as custodian on behalf of others

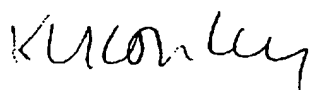
The Academy Trust holds funds as custodian on behalf of those Post-16 students who were entitled to and in receipt of the Post-16 Bursary. For further details see note 30.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are 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 22/11/21 and signed on its behalf by:



K C T Cowley
(Chair of Trustees)

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Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Principal, 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 The National Church of England Academy 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 has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K C T Cowley, Chair	7	7
C M Ball	6	7
J K Eastwood	5	7
C Dean	6	7
J Oldfield	5	7
E Hopkin, Staff Trustee	0	2
B R Marshall	7	7
H James	1	4
A Harmston-Hall	5	7
L Allen	2	7
G Johnson	3	6
A McKibbin	5	5
S Yardley	7	0
M Paine	7	7
Rev J L Stephens	6	7
Rev H Chantry (appointed 4 October 2020)	0	0

The Finance & Resources Committee operates as a sub-committee of the main Academy Board. Its purpose is to scrutinise the use of resources within the Academy Trust including finance, staffing, premises and health & safety. Its remit includes matters relating to audit and risk.

Due to the Covid-19 pandemic, most committee meetings were cancelled and key business transacted directly through the Trust Board, in line with good practice governance guidelines issued at the time. The Finance and Resources Committee therefore met once during the year so full attendance records have not been included here this year.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy 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. Before December 18th 2019, Chris Pickering (Previous CEO of Diverse Academies Trust) was the accounting officer for NCEAT. The Principal at NCEAT took over the responsibility from 18th December 2019, when Mr Pickering stepped down from this position.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Working with the leadership team to review the deployment of educational staff, the Academy uses modelling tools which allow its allocations by year group to be compared to best practice across the 11 to 19 sector.
- The Academy has been able to prioritise resources, however is awaiting the progress of this investment due to the cancellation of examinations and measures of student progress
- The Academy Improvement Plan has identified key areas of development and budgetary provision has been made to enable the Senior Leadership Team to carry out these actions
- There has been no additional cost for the incoming accounting officer as he is currently the Principal
- The Academy Trust has undertaken a review of its support services during the year and put in place revised terms and conditions for teaching support staff and reduced the number of other support staff employed
- The accounting officer (Principal) supported Trustees in seeking and securing value for money when changing the academy education and business service provider and moving from being a stand-alone Trust to formally joining a multi-academy Trust in January 2021
- The use of academy staff and the approach to professional development now provides greater value for money in terms of a more effective use of staff time
- In the context of educational funding reducing in real terms over the next 3 years the Academy is actively looking for further efficiencies.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 The National Church of England Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Trust Board and Finance & Resources 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
- full compliance with the academy financial handbook

In 2019/20, the NCEAT Board have appointed internal auditors to review key financial controls.

Review of effectiveness

As Accounting Officer since 18 December 2019, the Principal 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 external auditors;
- the work of the Finance and Resource Committee;
- the advice and guidance on financial systems and compliance from an external provider based on the MOU which was in place

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Resources Committee committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees and signed on their behalf by:



K C T Cowley
Chair of Trustees



M Brallsford
Accounting Officer

Date: 22/1/21

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The National Church of England Academy Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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



M Brailsford
Accounting Officer

Date: 22/1/21

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

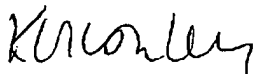
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



K C T Cowley
Chair of Trustees

Date: 22/11/21

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The National Church of England Academy Trust

Opinion

We have audited the financial statements of The National Church of England Academy Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 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's affairs as at 31 August 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The National Church of England Academy Trust (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The National Church of England Academy Trust (continued)

Responsibilities of trustees

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

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

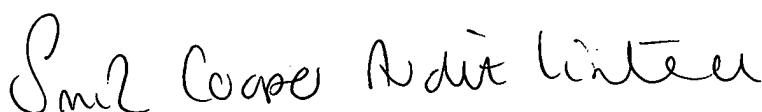
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Flear (Senior Statutory Auditor)

for and on behalf of

Smith Cooper Audit Limited

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 25/1/21

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The National Church of England Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The National Church of England Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The National Church of England Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The National Church of England Academy 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 The National Church of England Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The National Church of England Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The National Church of England Academy Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 year 1 September 2019 to 31 August 2020 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 2019 to 2020 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's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to The National Church of
England Academy Trust and the Education & Skills Funding Agency (continued)**

Smith Cooper Audit Limited

Smith Cooper Audit Limited
2 Lace Market Square
Nottingham
NG1 1PB

Date: 25/11/21

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	4	-	-	26	26	89
Charitable activities:						
Funding for the academy trust's educational operations	5	36	7,154	-	7,190	6,828
Other trading activities	6	19	-	-	19	24
Investments	7	4	-	-	4	6
Total income		59	7,154	26	7,239	6,947
Expenditure on:						
Charitable activities:						
Funding for the academy trust's educational operations	8	22	7,379	608	8,009	7,661
Total expenditure		22	7,379	608	8,009	7,661
Net income/(expenditure)		37	(225)	(582)	(770)	(714)
Transfers between funds	18	-	(189)	189	-	-
Net movement in funds before other recognised gains/(losses)		37	(414)	(393)	(770)	(714)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(106)	-	(106)	(751)
Net movement in funds		37	(520)	(393)	(876)	(1,465)
Reconciliation of funds:						
Total funds brought forward		416	(3,644)	8,332	5,104	6,569
Net movement in funds		37	(520)	(393)	(876)	(1,465)
Total funds carried forward		453	(4,164)	7,939	4,228	5,104

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 50 form part of these financial statements.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

(A Company Limited by Guarantee)

Registered number: 07708713

**Balance Sheet
As at 31 August 2020**

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	8,072	8,446
Current assets			
Debtors	15	219	151
Cash at bank and in hand		1,076	948
		<u>1,295</u>	<u>1,099</u>
Creditors: amounts falling due within one year	16	(791)	(509)
Net current assets		<u>504</u>	<u>590</u>
Total assets less current liabilities		<u>8,576</u>	<u>9,036</u>
Creditors: amounts falling due after more than one year	17	(103)	(83)
Net assets excluding pension liability		<u>8,473</u>	<u>8,953</u>
Defined benefit pension scheme liability	25	(4,245)	(3,849)
Total net assets		<u><u>4,228</u></u>	<u><u>5,104</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	7,939	8,332
Restricted income funds	18	81	205
		<u>8,020</u>	<u>8,537</u>
Restricted funds excluding pension asset	18	8,020	8,537
Pension reserve	18	(4,245)	(3,849)
Total restricted funds	18	<u>3,775</u>	<u>4,688</u>
Unrestricted income funds	18	<u>453</u>	<u>416</u>
Total funds		<u><u>4,228</u></u>	<u><u>5,104</u></u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

K C T Cowley
K C T Cowley
(Chair of Trustees)

22/1/21

The notes on pages 27 to 50 form part of these financial statements.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	263	218
Cash flows from investing activities	22	(155)	47
Cash flows from financing activities	21	20	(30)
Change in cash and cash equivalents in the year		128	235
Cash and cash equivalents at the beginning of the year		948	713
Cash and cash equivalents at the end of the year	23	<u>1,076</u>	<u>948</u>

The notes on pages 27 to 50 form part of these financial statements

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. General information

The National Church of England Academy Trust is a charitable company limited by guarantee, registered in England, United Kingdom. The address of the registered office and registered number are given on page 1 and the nature of its operations are set out in the Trustee's Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

The National Church of England Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is the functional currency of the Academy. Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

On 1 January 2021 all activities, assets and liabilities of the company were transferred to the Minster Trust for Education. The academy is therefore now part of that multi-academy trust. Notwithstanding the fact that the National Church of England Academy Trust has ceased to operate as an independent legal trust, the financial statements have been prepared on a going concern basis as all assets and liabilities were transferred at their fair value at that time. Therefore, there is considered to be no difference between accounting for amounts on a going concern or break-up basis.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Academy 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.

- **Donations**

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

- **Other income**

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

2.4 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 allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.5 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long-term leasehold land	- 125 years
Long-term leasehold buildings	- between 10 and 25 years
Furniture and fixtures	- between 5 and 10 years
Computer equipment	- 3 years

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.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.9 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 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.

2.10 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.11 Pensions

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

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

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

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

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2. Accounting policies (continued)

2.12 Agency arrangements

The Academy acts as an agent in the administering and distributing of 16-19 bursary funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included in the Balance Sheet as amounts due to the ESFA. The funds received and paid and any balances held are disclosed in note 30.

2.13 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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.

Pension scheme

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

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

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4. Income from donations and capital grants

	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Capital Grants	26	26	89
	<u>26</u>	<u>26</u>	<u>89</u>
<i>Total 2019</i>	<u>89</u>	<u>89</u>	

5. Funding for the Academy's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,260	6,260	6,187
Other DfE Group grants	-	593	593	302
	<u>-</u>	<u>6,853</u>	<u>6,853</u>	<u>6,489</u>
Other Government grants				
Local authority grants	-	63	63	51
Special educational projects	-	108	108	82
	<u>-</u>	<u>171</u>	<u>171</u>	<u>133</u>
Other income from the Academy's educational operations				
Other income	36	42	78	83
School trip income	-	88	88	123
	<u>36</u>	<u>130</u>	<u>166</u>	<u>206</u>
	<u>36</u>	<u>7,154</u>	<u>7,190</u>	<u>6,828</u>
<i>Total 2019</i>	<u>3</u>	<u>6,825</u>	<u>6,828</u>	

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Notes to the Financial Statements
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6. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Hire of facilities	19	19	24
	<u>19</u>	<u>19</u>	
<i>Total 2019</i>	<u>24</u>	<u>24</u>	

7. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Short term deposits	4	4	6
	<u>4</u>	<u>4</u>	
<i>Total 2019</i>	<u>6</u>	<u>6</u>	

8. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy's educational operations:					
Direct costs	4,534	-	378	4,912	4,570
Allocated support costs	1,279	879	939	3,097	3,091
	<u>5,813</u>	<u>879</u>	<u>1,317</u>	<u>8,009</u>	<u>7,661</u>
<i>Total 2019</i>	<u>5,206</u>	<u>866</u>	<u>1,589</u>	<u>7,661</u>	

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Notes to the Financial Statements
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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Academy's educational operations	4,912	3,097	8,009	7,661
	<hr/>	<hr/>	<hr/>	
<i>Total 2019</i>	<i>4,570</i>	<i>3,091</i>	<i>7,661</i>	
	<hr/>	<hr/>	<hr/>	

Analysis of direct costs

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	4,534	4,270
Educational supplies	267	181
Examination fees	111	119
	<hr/>	<hr/>
	4,912	4,570
	<hr/>	<hr/>

Analysis of support costs

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	1,279	936
Depreciation	559	560
Technology costs	88	23
Governance costs	47	28
Premises costs	436	439
Other support costs	688	1,105
	<hr/>	<hr/>
	3,097	3,091
	<hr/>	<hr/>

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Notes to the Financial Statements
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	<i>2019</i>
	£000	<i>£000</i>
Operating lease rentals	9	<i>9</i>
Depreciation of tangible fixed assets	559	<i>560</i>
Fees paid to auditors for:		
- audit	9	<i>9</i>
- other services	3	<i>3</i>
	=====	<i>=====</i>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	4,266	<i>3,883</i>
Social security costs	380	<i>376</i>
Pension costs	1,068	<i>873</i>
	=====	<i>=====</i>
	5,714	<i>5,132</i>
Agency staff costs	99	<i>63</i>
Staff restructuring costs	-	<i>11</i>
	=====	<i>=====</i>
	5,813	<i>5,206</i>
	=====	<i>=====</i>

Staff restructuring costs comprise:

Redundancy payments	-	<i>11</i>
	=====	<i>=====</i>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

11. Staff costs (continued)

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	73	78
Administration and support	55	59
Management	1	11
	129	148

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £247,465 (2019: £359,085).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
S W Jones (Executive Principal)	Remuneration	-	110 - 115
	Pension contributions paid	-	15 - 20
E Hopkin (Staff Trustee)	Remuneration	0 - 5	40 - 45
	Pension contributions paid	0 - 5	5 - 10
G Johnson (Staff Trustee)	Remuneration	25 - 30	45 - 50
	Pension contributions paid	5 - 10	5 - 10

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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Notes to the Financial Statements
For the Year Ended 31 August 2020

13. Trustees' and Officers' insurance

The Academy 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 membership.

14. Tangible fixed assets

	Long-term leasehold land £000	Leasehold buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	650	11,362	281	156	12,449
Additions	-	132	5	48	185
At 31 August 2020	650	11,494	286	204	12,634
Depreciation					
At 1 September 2019	41	3,694	129	139	4,003
Charge for the year	5	503	34	17	559
At 31 August 2020	46	4,197	163	156	4,562
Net book value					
At 31 August 2020	604	7,297	123	48	8,072
At 31 August 2019	609	7,668	152	17	8,446

15. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	21	17
Other debtors	67	1
Prepayments and accrued income	131	126
VAT recoverable	-	7
	219	151

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Notes to the Financial Statements
For the Year Ended 31 August 2020

16. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other loans	30	30
Trade creditors	498	99
Other taxation and social security	98	95
Other creditors	23	23
Accruals and deferred income	142	262
	<u>791</u>	<u>509</u>

The other loans are loans from Salix Finance Limited used to fund capital expenditure. The loans do not bear any interest and are not secured against any asset.

	2020	2019
	£000	£000
Deferred income at 1 September 2019	143	131
Resources deferred during the year	90	143
Amounts released from previous periods	(143)	(131)
	<u>90</u>	<u>143</u>

Included within deferred income is grant funds received in advance of entitlement and trip income received for trips not taking place until after the year end.

17. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Other loans	<u>103</u>	<u>83</u>

Included within the above are amounts falling due as follows:

	2020	2019
	£000	£000
Between one and two years		
Other loans	<u>70</u>	<u>30</u>
Between two and five years		
Other loans	<u>33</u>	<u>39</u>
Over five years		
Other loans	<u>-</u>	<u>14</u>

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The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	<i>2019</i>
	£000	<i>£000</i>
Payable or repayable by instalments	-	14
	<u> </u>	<u> </u>

The other loans are loans from Salix Finance Limited used to fund capital expenditure. The loans do not bear any interest and are not secured against any asset. The terms of repayment and age analysis of the loans is stated above.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	416	59	(22)	-	-	453
Restricted general funds						
General Annual Grant (GAG)	253	6,260	(6,201)	(189)	-	123
Other DfE Group grants	-	593	(587)	-	-	6
Other government grants	-	171	(171)	-	-	-
Other restricted funds	(48)	130	(130)	-	-	(48)
Pension reserve	(3,849)	-	(290)	-	(106)	(4,245)
	<u>(3,644)</u>	<u>7,154</u>	<u>(7,379)</u>	<u>(189)</u>	<u>(106)</u>	<u>(4,164)</u>
Restricted fixed asset funds						
DfE Group capital grants	221	26	(139)	-	-	108
Transfer on conversion	7,866	-	(420)	-	-	7,446
Capital expenditure from GAG	245	-	(49)	189	-	385
	<u>8,332</u>	<u>26</u>	<u>(608)</u>	<u>189</u>	<u>-</u>	<u>7,939</u>
Total Restricted funds	<u>4,688</u>	<u>7,180</u>	<u>(7,987)</u>	<u>-</u>	<u>(106)</u>	<u>3,775</u>
Total funds	<u>5,104</u>	<u>7,239</u>	<u>(8,009)</u>	<u>-</u>	<u>(106)</u>	<u>4,228</u>

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

Restricted general funds

General Annual Grant (GAG), other DfE Group grants and Local Authority grants are to be applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters. Restricted funds also includes the pension reserve which represents the potential liability due by the Academy at the year end and income derived from school trips.

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18. Statement of funds (continued)

Restricted fixed asset funds

The restricted fixed asset funds are resources which are applied to a purpose imposed by the DfE where the specific capital asset acquired or created is held for a specific purpose.

Unrestricted funds

Unrestricted funds represent other incoming resources to the Academy Trust applied for the general purposes of the Trust at the discretion of the Trustees.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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Notes to the Financial Statements
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General funds	406	33	(33)	10	-	416
Restricted funds						
General Annual Grant (GAG)	180	6,187	(6,114)	-	-	253
Other DfE Group grants	-	302	(302)	-	-	-
Other government grants	(5)	133	(128)	-	-	-
Other restricted funds	(48)	203	(203)	-	-	(48)
Pension reserve	(2,777)	-	(321)	-	(751)	(3,849)
	<u>(2,650)</u>	<u>6,825</u>	<u>(7,068)</u>	<u>-</u>	<u>(751)</u>	<u>(3,644)</u>
Restricted fixed asset funds						
DfE Group capital grants	282	89	(140)	(10)	-	221
Transfer on conversion	8,286	-	(420)	-	-	7,866
Capital expenditure from GAG	245	-	-	-	-	245
	<u>8,813</u>	<u>89</u>	<u>(560)</u>	<u>(10)</u>	<u>-</u>	<u>8,332</u>
Total Restricted funds	<u>6,163</u>	<u>6,914</u>	<u>(7,628)</u>	<u>(10)</u>	<u>(751)</u>	<u>4,688</u>
Total funds	<u>6,569</u>	<u>6,947</u>	<u>(7,661)</u>	<u>-</u>	<u>(751)</u>	<u>5,104</u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	8,072	8,072
Current assets	1,214	81	-	1,295
Creditors due within one year	(761)	-	(30)	(791)
Creditors due in more than one year	-	-	(103)	(103)
Provisions for liabilities and charges	-	(4,245)	-	(4,245)
Total	453	(4,164)	7,939	4,228

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	8,446	8,446
Current assets	436	663	-	1,099
Creditors due within one year	(20)	(458)	(31)	(509)
Creditors due in more than one year	-	-	(83)	(83)
Provisions for liabilities and charges	-	(3,849)	-	(3,849)
Total	416	(3,644)	8,332	5,104

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Notes to the Financial Statements
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£000	£000
Net expenditure for the period (as per Statement of Financial Activities)	(770)	(714)
Adjustments for:		
Depreciation	559	560
Capital grants from DfE and other capital income	(26)	(89)
Dividends, interest and rents from investments	(4)	(6)
Defined benefit pension scheme cost less contributions payable	220	249
Defined benefit pension scheme finance cost	70	72
(Increase)/decrease in debtors	(60)	39
Increase in creditors	274	107
Net cash provided by operating activities	263	218

21. Cash flows from financing activities

	2020	2019
	£000	£000
Cash inflows from new borrowing	50	-
Repayments of borrowing	(30)	(30)
Net cash provided by/(used in) financing activities	20	(30)

22. Cash flows from investing activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	4	6
Purchase of tangible fixed assets	(185)	(48)
Capital grants from DfE Group	26	89
Net cash (used in)/provided by investing activities	(155)	47

23. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	1,076	948

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Notes to the Financial Statements
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24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	Total funds £000
Cash	948	128	-	1,076
Loans falling due within one year	(30)	(30)	30	(30)
Loans falling due after more than one year	(83)	50	(70)	(103)
Total	835	148	(40)	943

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

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.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

25. Pension commitments (continued)

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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £692,000 (2019 - £484,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £221,000 (2019 - £202,000), of which employer's contributions totalled £169,000 (2019 - £153,000) and employees' contributions totalled £52,000 (2019 - £49,000). The agreed contribution rates for future years are 18.3% per cent for employers and 5.5 - 12.5% per cent 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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.85

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Notes to the Financial Statements
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25. Pension commitments (continued)

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.7
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.2	23.3
Females	25.9	26.2

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	7,199	7,174
Discount rate -0.1%	7,576	7,542
Mortality assumption - 1 year increase	7,661	7,631
Mortality assumption - 1 year decrease	7,119	7,091

The Academy's share of the assets in the scheme was:

	At 31	At 31 August
	August 2020	2019
	£000	£000
Equities	1,877	2,187
Gilts and bonds	391	417
Property	413	464
Cash and other liquid assets	123	103
Other	336	336
Total market value of assets	3,140	3,507

The actual return on scheme assets was £125,000 (2019 - £154,000).

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25. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020	2019
	£000	£000
Current service cost	(389)	(317)
Past service cost	-	(85)
Interest income	67	87
Interest cost	(136)	(158)
Administrative expenses	(1)	(1)
Total amount recognised in the Statement of Financial Activities	(459)	(474)

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

	2020	2019
	£000	£000
At 1 September	7,356	5,967
Current service cost	389	317
Interest cost	136	158
Employee contributions	52	49
Actuarial (gains)/losses	(514)	818
Benefits paid	(34)	(38)
Past service costs	-	85
At 31 August	7,385	7,356

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020	2019
	£000	£000
At 1 September	3,507	3,190
Interest income	67	87
Actuarial (losses)/gains	(620)	67
Employer contributions	169	153
Employee contributions	52	49
Benefits paid	(34)	(38)
Administration expenses	(1)	(1)
At 31 August	3,140	3,507

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26. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	6	9
Later than 1 year and not later than 5 years	1	7
	<u>7</u>	<u>16</u>

27. Members' liability

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

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28. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

Diverse Academies Trust

The Trust was related to Diverse Academies Trust for the period 1 September 2019 to 18 December 2019 by virtue of a having a Chief Executive and Accounting Officer in common.

During the period, the Trust received services from Diverse Academies Trust totaling £674,998 (year ended 31 August 2019: £872,768) and in return provided services of £70,386 (year ended 31 August 2019: £115,463).

Expenditure Related Party Transaction

Belmar Services Limited - a company in which Mrs J Eastwood (a trustee) is a director.

- The Academy purchased air conditioning services from from Belmar Services Limited totalling £2,787 (2019: £nil) during the period. There were no amounts outstanding at 31 August 2020 (2019: £nil).
- The Academy made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mrs Eastwood neither participated in, nor influenced.
- In entering into the transaction, the Academy has complied with the requirements of the Academies Financial Handbook.

29. Post balance sheet events

On 1 January 2021 all activities, assets and liabilities of the company were transferred to the Minster Trust for Education. The academy is therefore now part of that multi-academy trust. The National Church of England Academy Trust has ceased to operate as an independent legal trust and all assets and liabilities were transferred at their fair value at that time.

30. Agency arrangements

The Academy administers the disbursement of the 16-19 bursary funds on behalf of the ESFA. During the year it received £10,490 (2019: £12,456) and disbursed £4,642 (2019: £5,674). The Academy retained a beneficial interest in individual transactions such that £5,848 (2019: £6,782) has been recognised in income and expenditure in the Statement of Financial Activities.