

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 Period Ended 28 February 2021



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
 K A Mitford (as nominated representative of the Parochial Church Council)
 Rev H Chantry (appointed 23 September 2020)
 Rev Canon M Tanner (as nominated representative of Southwell and Nottingham
 Diocese Board of Finance)
 Rev J L Stephens (resigned 23 September 2020)

Trustees K C T Cowley*, Chair
 C M Ball
 J K Eastwood*
 C Dean
 J Oldfield*
 B R Marshall
 A Harmston-Hall
 L Allen*
 S Yardley*
 M Paine*
 Rev J L Stephens (resigned 23 September 2020)
 Rev H Chantry (appointed 4 October 2020)

* Member of Finance and Resources Committee

**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

Bankers Lloyds Bank
 Nottingham
 NG1 3DA

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Reference and Administrative Details (continued)
For the Period Ended 28 February 2021

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
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Trustees' Report
For the Period Ended 28 February 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2020 to 28 February 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The report only covers the part year as the Academy joined the MITRE Multi-Academy Trust on 1 January 2021 and ceased to operate as a separate single academy trust from that date. The decision to join MITRE had been made in January 2020. It had been hoped to join MITRE from 1 September 2020, but this was delayed by the Covid-19 pandemic.

Prior to that, the Academy Trust had operated 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 1,267 (Years 7-13) in the school census in October 2020. The Hucknall Sixth Form Centre has a pupil capacity of 300 for the Trust and has a roll of 136 National students based on the school census in October 2020 for National Church of England Academy.

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.

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.

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Trustees' Report (continued)
For the Period Ended 28 February 2021

Structure, governance and management (continued)

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. These posts have not been filled by mutual agreement following the dissolution of the Diverse Academies Learning Partnership in June 2019.

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 various sources including in-house, from MITRE and from other external providers.

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 Period Ended 28 February 2021

Structure, governance and management (continued)

f. Organisational structure

Following the dissolution of the Diverse Academies Learning Partnership, the Academy operated as a Single Academy Trust throughout the period under review. Services including Marketing, Property, IT, MIS, Finance and HR were provided to the academy via 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. 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 Trust 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.

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

During the period in question, NCEAT worked within the pay policies of MITRE in anticipation of joining MITRE from 1 January 2021. These matters were handled through the NCEAT Performance and Remuneration Committee. In June 2020, NCEAT had 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 period	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 Period Ended 28 February 2021

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

During the period in question, leadership and governance support has been provided by MITRE and its 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 2020/21 objectives were:

1. To develop and embed an effective remote learning system which enables ALL students to access high quality learning and teaching
2. Develop highly effective pedagogical approaches (inc reading) to ensure quality first teaching is successfully embedded across the academy and supports the improvement of outcomes
3. Provide sustained support for the most disadvantaged and vulnerable students throughout 2020/21, making sure they can access high quality provision and close the attainment gaps
4. To provide appropriate support packages for students following National lockdown. Develop an on-site alternative provision facility and new, modern inclusion facility to support student specific needs
5. Provide robust mental health and well-being support for all students and staff

Success criteria were set for each of these key objectives and then measured through MITRE reviews, internal QA processes, reviews of the AIP and academy governor reviews.

Following the setting of the key objectives and success criteria in September 2020, detailed action plans were created. These plans included key lines of accountability, timelines and all these aspects were judged against relevant impacts. Regular scrutiny is achieved through governor and MITRE reviews, accounting reviews, internal and external QA and through performance management discussions. Good progress was being made against many of the objectives. The main frustration was the unpredictable attendance on-site around November and December due to covid-19.

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Trustees' Report (continued)
For the Period Ended 28 February 2021

Objectives and activities (continued)

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

As this report is for only a few months, between September and December 2020, this section is not the same as it would be for a 'typical' year. Covid-19 protective measures prevented typical reviews taking place as these would be provided externally.

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Trustees' Report (continued)
For the Period Ended 28 February 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

As of December 2020, the government has not made announcements regarding whether examinations will go ahead in Summer 2021. The main key performance indicators are therefore internal assessment data only and are seen below:

For the Year 11 the internal data up to the end of December 2020 showed that:

- Overall Attainment and progress are predicted to be higher than 2019 (2020 was a non-exam year due to Covid 19)
- Progress in both the Ebacc and open elements are strong with progress well above 0
- The progress of middle ability students is higher than the other bands which is pleasing as this accounts for 60% of the cohort. It is also higher than in previous years
- The valued added in humanities and science is well above zero
- The gap between males and females has narrowed compared to previous years and is below National average for 2019 (2020 was a non-exam year due to Covid 19)
- 31 students are on/above aspirational target in 8 or more subjects
- 84 students are on/above aspirational target in 6 or more subject

For year 13 the internal data up to the end of December 2020:

- APS for all measures is either on target or exceeding target.
- VA is above 0 with lower confidence above zero to which equates to sig + and is an improvement on 2019 (2020 was a non-examination year due to Covid-19).
- Vocational APS is especially strong which has meant that average grade is higher than previous cycles.
- A*/B is 5% above aspirational FFT20 target.
- Nearly ¾ students are predicted to be on or above FFT20 target.
- There is no disadvantaged gap. 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.

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 after December 2020 for the remainder of 2020/21, including curriculum led financial planning for 21/22, 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.

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Trustees' Report (continued)
For the Period Ended 28 February 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

On 1 January 2021 the operations, assets, liabilities and funds of the Academy Trust were transferred to The Minster Trust for Education. This resulted in the Charitable Company having no remaining fund balances as at the balance sheet date. Following the end of the accounting period, the members will be seeking to close the Company, and apply to Companies House to have it struck off.

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.

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KS4 – As of December 2020 there have been no external examinations.

KS5 – As of December 2020 there have been no external examinations.

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 from 1/9/20 to 31/12/20 is the General Annual Grant of £2,201k for the period to 31 December 2020 (2020: £6,260k) 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

These financial statements show the financial performance of the Academy Trust for the year period to 28 February 2021. The statement of financial activities shows the Academy Trust made a deficit, before other recognised gains and losses and the transfer of fund balances to MITRE on 1 January 2021, of £121k for the four month period ended 31 December 2020 (August 2020: deficit of £770k).

Before the transfer to MITRE, the Academy Trust held fund balances at 31 December 2020 of £3,025k (August 2020: £4,228k) comprising a £239k surplus (August 2020: £81k surplus) of restricted general funds (excluding pension reserve) and £470k (August 2020: £435k) of unrestricted general funds and a pension reserve deficit of £5,434k (August 2020: £4,245k). The majority of the net assets relate to fixed asset funds (land and buildings) being £7,750k (August 2020: £7,939k).

The Academy Trust had cash of £1,035k as of 31 December 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, improving provision for the most vulnerable and disadvantaged 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 £3,025k. These other funds are:

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Trustees' Report (continued)
For the Period Ended 28 February 2021

Strategic report (continued)

Fixed asset fund of £7,750k: 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 the ongoing maintenance programmes designed to address key strategic issues such as boilers, windows and roofs; and active review of all available grants.

Financial Policies

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

a. Reserves policy

On 1 January 2021 the operations, assets, liabilities and funds of the Academy were transferred to The Minster Trust for Education. This resulted in the Charitable Company having no reserves as at the balance sheet date.

Academy Trust holds reserves for the following reasons;

- 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.

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. The Academy will take MITRE advice regarding this after 31 December 2020.

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Trustees' Report (continued)
For the Period Ended 28 February 2021

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 any future adjustment relating to covid-19 after December 2020
- Financial claims made by Diverse Academies Trust

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.

e. Pension deficit

The Trustees recognise that there is a significant pension deficit of £5,434k (2020: £4,245k) 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.

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Trustees' Report (continued)
For the Period Ended 28 February 2021

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 from January 1st 2021, 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 25 June 2021 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 2 times between 1 September 2020 and 31 December 2020.

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

Trustee	Meetings attended	Out of a possible
K C T Cowley*, Chair	2	2
C M Ball	2	2
J K Eastwood	2	2
C Dean	2	2
J Oldfield	1	2
B R Marshall	1	2
A Harmston-Hall	1	2
L Allen	1	2
S Yardley	2	2
M Paine	2	2
Rev H Chantry (appointed 4 October 2020)	0	1

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. The Committee met once between 1 September and 31 December 2020 and was attended by Mrs Cowley, Mrs Eastwood, Mr Oldfield, Mr Paine and Mr Yardley.

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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.

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 period September to December 2020 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, unknown plans for exams in 2021 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 accounting officer role 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 from 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 period 1 September 2020 to 28 February 2021 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 period 1 September 2020 to 28 February 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy'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

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Governance Statement (continued)

The risk and control framework (continued)

- 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.

For 2020/21, the NCEAT Board, with MITRE, will appoint internal auditors to review key financial controls and at the point of joining MITRE from January 2021, will work with MITRE to ensure key financial controls are in place.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 audit Finance & Resources 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 Brailsford
Accounting Officer

Date: 25 June 2021

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 2020.

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 2020.

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: 25 June 2021

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

Statement of Trustees' responsibilities
For the Period Ended 28 February 2021

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

Company law requires the Trustees to prepare financial statements for each financial . 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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: 25 June 2021

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 period ended 28 February 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 28 February 2021 and of its incoming resources and application of resources, including its income and expenditure for the period 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 period 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.

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.

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)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risk of non-compliance with laws and regulations related to management bias in respect of accounting estimates and judgements made. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Review of legal expenditure in the period to identify non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- A separate limited scope regularity review has been undertaken in respect of compliance with the Academy Financial Handbook and our report in respect of this is contained within the financial statements;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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)

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 Audit Limited

Sarah Flear (Senior Statutory Auditor)
for and on behalf of
Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors

28 June 2021

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 and Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 period 1 September 2020 to 28 February 2021 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 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 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 28 February 2021 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 2020 to 2021 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.

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)**

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 period 1 September 2020 to 28 February 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Audit Limited

Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square, Nottingham, NG1 1PB

Date: 28 June 2021

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

Statement of financial activities (incorporating income and expenditure account)
For the Period Ended 28 February 2021

		Unrestricted funds Period ended 28 February 2021 £000	Restricted funds Period ended 28 February 2021 £000	Restricted fixed asset funds Period ended 28 February 2021 £000	Total funds Period ended 28 February 2021 £000	Total funds Year ended 31 August 2020 £000
	Note					
Income from:						
Donations and capital grants	4	1	-	-	1	26
Charitable activities:						
Funding for the academy trust's educational operations	5	17	2,525	-	2,542	7,190
Other trading activities	6	(1)	-	-	(1)	19
Investments	7	-	-	-	-	4
		<u>17</u>	<u>2,525</u>	<u>-</u>	<u>2,542</u>	<u>7,239</u>
Total income						
Expenditure on:						
Charitable activities:						
Funding for the academy trust's educational operations	8	-	2,474	189	2,663	8,009
Transfer out on academies leaving the academy trust	30	470	(5,195)	7,750	3,025	-
		<u>470</u>	<u>(2,721)</u>	<u>7,939</u>	<u>5,688</u>	<u>8,009</u>
Total expenditure						
Net movement in funds before other recognised gains/(losses)		(453)	5,246	(7,939)	(3,146)	(770)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,082)	-	(1,082)	(106)
		<u>(453)</u>	<u>4,164</u>	<u>(7,939)</u>	<u>(4,228)</u>	<u>(876)</u>
Net movement in funds						

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

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Period Ended 28 February 2021

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Period ended 28 February 2021	Period ended 28 February 2021	Period ended 28 February 2021	Period ended 28 February 2021	Year ended 31 August 2020
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	453	(4,164)	7,939	4,228	5,104
Net movement in funds	(453)	4,164	(7,939)	(4,228)	(876)
Total funds carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,228</u>

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

The notes on pages 29 to 53 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 28 February 2021

	Note	28 February 2021 £000	31 August 2020 £000
Fixed assets			
Tangible assets	14	-	8,072
Current assets			
Debtors	15	-	219
Cash at bank and in hand	23	-	1,076
		<u>-</u>	<u>1,295</u>
Creditors: amounts falling due within one year	16	-	(791)
		<u>-</u>	<u>504</u>
Net current assets		-	504
Total assets less current liabilities		<u>-</u>	<u>8,576</u>
Creditors: amounts falling due after more than one year	17	-	(103)
Net assets excluding pension asset / liability		<u>-</u>	<u>8,473</u>
Defined benefit pension scheme asset / liability	25	-	(4,245)
		<u>-</u>	<u>4,228</u>
Total net assets		<u><u>-</u></u>	<u><u>4,228</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	-	7,939
Restricted income funds	18	-	81
		<u>-</u>	<u>8,020</u>
Restricted funds excluding pension asset	18	-	8,020
Pension reserve	18	-	(4,245)
		<u>-</u>	<u>3,775</u>
Total restricted funds	18	-	3,775
Unrestricted income funds	18	-	453
		<u>-</u>	<u>4,228</u>
Total funds		<u><u>-</u></u>	<u><u>4,228</u></u>

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)
Registered number: 07708713

Balance Sheet (continued)
As at 28 February 2021

The financial statements on pages 24 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



K C T Cowley, Chair
(Chair of Trustees)
Date: 25 June 2021

The notes on pages 29 to 53 form part of these financial statements.

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

Statement of Cash Flows
For the Period Ended 28 February 2021

	Note	Period ended 28 February 2021 £000	Year ended 31 August 2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(20)	263
Cash flows from investing activities	22	(5)	(155)
Cash flows from financing activities	21	(16)	20
Change in cash and cash equivalents in the period		(41)	128
Cash and cash equivalents at the beginning of the period		1,076	948
Cash transferred to The Minster Trust for Education	30	(1,035)	-
Cash and cash equivalents at the end of the period	23, 24	<u>-</u>	<u>1,076</u>

The notes on pages 29 to 53 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 Period Ended 28 February 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements cover the period 1 September 2020 to 28 February 2021.

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 Period Ended 28 February 2021

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 Period Ended 28 February 2021

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 equipment	- 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 Period Ended 28 February 2021

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.

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.

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

Notes to the Financial Statements
For the Period Ended 28 February 2021

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.

3. Critical accounting estimates and areas of judgement

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 28 February 2021. 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

	Unrestricted funds Period ended 28 February 2021 £000	Restricted fixed asset funds Period ended 28 February 2021 £000	Total funds Period ended 28 February 2021 £000	Total funds Year ended 31 August 2020 £000
Donations	1	-	1	-
Capital Grants	-	-	-	26
	<u>1</u>	<u>-</u>	<u>1</u>	<u>26</u>
<i>Total 2020</i>	<u>-</u>	<u>26</u>	<u>26</u>	

5. Funding for the Academy's educational operations

	Unrestricted funds Period ended 28 February 2021 £000	Restricted funds Period ended 28 February 2021 £000	Total funds Period ended 28 February 2021 £000	Total funds Year ended 31 August 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,201	2,201	6,260
Other DfE Group grants	-	210	210	593
Local authority grants	-	20	20	63
Special educational projects	-	35	35	108
Other income	17	16	33	78
Special educational projects	-	-	-	88
Coronavirus exceptional support	-	43	43	-
	<u>17</u>	<u>2,525</u>	<u>2,542</u>	<u>7,190</u>
<i>Total 2020</i>	<u>36</u>	<u>7,154</u>	<u>7,190</u>	

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5. Funding for the Academy's educational operations (continued)

The Academy Trust has been eligible to claim additional funding during the period from government support schemes in response to the coronavirus pandemic. The funding received is shown above under "exceptional government funding".

The Academy Trust claimed £43k during the period to cover exceptional costs associated with the pandemic. These additional costs included premises expenditure, free school meals, additional cleaning costs and loss of income from private sources.

6. Income from other trading activities

	Unrestricted funds Period ended 28 February 2021 £000	Total funds Period ended 28 February 2021 £000	Total funds Year ended 31 August 2020 £000
Hire of facilities	(1)	(1)	19
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2020</i>	<u>19</u>	<u>19</u>	

7. Investment income

	Unrestricted funds Period ended 28 February 2021 £000	Total funds Period ended 28 February 2021 £000	Total funds Year ended 31 August 2020 £000
Short term deposits	-	-	4
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2020</i>	<u>4</u>	<u>4</u>	

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8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	Period	Period	Period	Period	<i>Year ended</i>
	ended	ended	ended	ended	<i>31 August</i>
	28 February	28 February	28 February	28 February	<i>2020</i>
	2021	2021	2021	2021	<i>2020</i>
	£000	£000	£000	£000	<i>£000</i>
Academy's educational operations:					
Direct costs	1,476	-	75	1,551	4,912
Allocated support costs	432	294	386	1,112	3,097
Other expenditure	-	-	3,025	3,025	-
	<u>1,908</u>	<u>294</u>	<u>3,486</u>	<u>5,688</u>	<u>8,009</u>
<i>Total 2020</i>	<u>5,813</u>	<u>879</u>	<u>1,317</u>	<u>8,009</u>	

9. Analysis of expenditure by activities

	Activities	Support	Total	<i>Total</i>
	undertaken	costs	funds	<i>funds</i>
	directly	Period	Period	<i>Year ended</i>
	Period	ended	ended	<i>31 August</i>
	28 February	28 February	28 February	<i>2020</i>
	2021	2021	2021	<i>2020</i>
	£000	£000	£000	<i>£000</i>
Academy's educational operations	1,551	1,112	2,663	8,009
	<u>1,551</u>	<u>1,112</u>	<u>2,663</u>	
<i>Total 2020</i>	<u>4,912</u>	<u>3,097</u>	<u>8,009</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds Period ended 28 February 2021 £000	<i>Total funds Year ended 31 August 2020 £000</i>
Staff costs	1,476	4,534
Educational supplies	58	267
Examination fees	17	111
	<u>1,551</u>	<u>4,912</u>

Analysis of support costs

	Total funds Period ended 28 February 2021 £000	<i>Total funds Year ended 31 August 2020 £000</i>
Staff costs	432	1,279
Depreciation	189	559
Technology costs	28	88
Governance costs	19	47
Premises costs	265	436
Other support costs	179	688
	<u>1,112</u>	<u>3,097</u>

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10. Net (expenditure)/income

Net (expenditure)/income for the period includes:

	Period ended 28 February 2021 £000	Year ended 31 August 2020 £000
Operating lease rentals	6	9
Depreciation of tangible fixed assets	189	559
Fees paid to auditors for:		
- audit	8	9
- other services	2	3
	<u> </u>	<u> </u>

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

a. Staff costs

Staff costs during the period were as follows:

	Period ended 28 February 2021 £000	Year ended 31 August 2020 £000
Wages and salaries	1,350	4,266
Social security costs	137	380
Pension costs	389	1,068
	<u> </u>	<u> </u>
	1,876	5,714
Agency staff costs	22	99
Staff restructuring costs	10	-
	<u> </u>	<u> </u>
	1,908	5,813
	<u> </u>	<u> </u>

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11. Staff (continued)

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-contractual severance payment of £10,000 (2020: £nil).

c. Staff numbers

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

	Period ended 28 February 2021 No.	Year ended 31 August 2020 No.
Teachers	57	73
Administration and support	57	55
Management	19	1
	<u>133</u>	<u>129</u>

d. Higher paid staff

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

	Period ended 28 February 2021 No.	Year ended 31 August 2020 No.
In the band £60,001 - £70,000	-	2
In the band £80,001 - £90,000	-	1
	<u>-</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £ (2020 £).

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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:

		Period ended 28 February 2021 £000	Year ended 31 August 2020 £000
E Hopkin (Staff Trustee)	Remuneration	-	0 - 5
	Pension contributions paid	-	0 - 5
G Johnson (Staff Trustee)	Remuneration	-	25 - 30
	Pension contributions paid	-	5 - 10

During the period ended 28 February 2021, no Trustee expenses have been incurred (2020 - £NIL).

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.

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14. Tangible fixed assets

	Long-term leasehold land £000	Leasehold buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
At 1 September 2020	650	11,494	286	204	12,634
Additions	-	-	5	-	5
Transfers intra group	(650)	(11,494)	(291)	(204)	(12,639)
At 28 February 2021	-	-	-	-	-
At 1 September 2020	46	4,196	163	156	4,561
Charge for the period	2	171	11	5	189
Transfers intra group	(48)	(4,367)	(174)	(161)	(4,750)
At 28 February 2021	-	-	-	-	-
Net book value					
At 28 February 2021	-	-	-	-	-
At 31 August 2020	604	7,297	123	48	8,072

15. Debtors

	28 February 2021 £000	31 August 2020 £000
Due within one year		
Trade debtors	-	21
Other debtors	-	67
Prepayments and accrued income	-	131
	-	219

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16. Creditors: Amounts falling due within one year

	28 February 2021 £000	31 August 2020 £000
Other loans	-	30
Trade creditors	-	498
Other taxation and social security	-	98
Other creditors	-	23
Accruals and deferred income	-	142
	<u>-</u>	<u>791</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.

	28 February 2021 £000	31 August 2020 £000
Deferred income at 1 September 2020	90	143
Resources deferred during the period	-	90
Amounts released from previous periods	(90)	(143)
	<u>-</u>	<u>90</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

	28 February 2021 £000	31 August 2020 £000
Other loans	-	103

Included within the above are amounts falling due as follows:

	28 February 2021 £000	31 August 2020 £000
Between one and two years		
Other loans	-	70
Between two and five years		
Other loans	-	33

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Notes to the Financial Statements
For the Period Ended 28 February 2021

18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000
Unrestricted funds				
General Funds	453	17	(470)	-
Restricted general funds				
General Annual Grant (GAG)	123	2,201	(2,324)	-
Other DfE Group grants	6	210	(216)	-
Other government grants	-	114	(114)	-
Other restricted funds	(48)	-	48	-
Pension reserve	(4,245)	-	5,327	(1,082)
	<u>(4,164)</u>	<u>2,525</u>	<u>2,721</u>	<u>(1,082)</u>
Restricted fixed asset funds				
DfE Group capital grants	108	-	(108)	-
Transfer on conversion	7,446	-	(7,446)	-
Capital expenditure from GAG	385	-	(385)	-
	<u>7,939</u>	<u>-</u>	<u>(7,939)</u>	<u>-</u>
Total Restricted funds	<u>3,775</u>	<u>2,525</u>	<u>(5,218)</u>	<u>(1,082)</u>
Total funds	<u>4,228</u>	<u>2,542</u>	<u>(5,688)</u>	<u>(1,082)</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.

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 28 February 2021.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £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 2020 £000</i>
Unrestricted funds						
General Funds	416	59	(22)	-	-	453
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted 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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(3,644)	7,154	(7,379)	(189)	(106)	(4,164)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,332	26	(608)	189	-	7,939
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted funds	4,688	7,180	(7,987)	-	(106)	3,775
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	5,104	7,239	(8,009)	-	(106)	4,228
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Total funds 28 February 2021 £000
Tangible fixed assets	-
Current assets	-
Creditors due within one year	-
Creditors due in more than one year	-
Provisions for liabilities and charges	-
Total	-

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 31 August 2020 £000</i>	<i>Restricted funds 31 August 2020 £000</i>	<i>Restricted fixed asset funds 31 August 2020 £000</i>	<i>Total funds 31 August 2020 £000</i>
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

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20. Reconciliation of net expenditure to net cash flow from operating activities

	Period ended 28 February 2021 £000	<i>Year ended 31 August 2020 £000</i>
Net expenditure for the period (as per Statement of Financial Activities)	(3,146)	(770)
Adjustments for:		
Depreciation	189	559
Capital grants from DfE and other capital income	-	(26)
Dividends, interest and rents from investments	-	(4)
Defined benefit pension scheme cost less contributions payable	85	220
Defined benefit pension scheme finance cost	22	70
Decrease/(increase) in debtors	8	(60)
(Decrease)/increase in creditors	(203)	274
Non-cash items transferred to The Minster Trust for Education	3,025	-
Net cash (used in)/provided by operating activities	(20)	263

21. Cash flows from financing activities

	28 February 2021 £000	<i>31 August 2020 £000</i>
Cash inflows from new borrowing	-	50
Repayments of borrowing	(16)	(30)
Net cash (used in)/provided by financing activities	(16)	20

22. Cash flows from investing activities

	28 February 2021 £000	<i>31 August 2020 £000</i>
Dividends, interest and rents from investments	-	4
Purchase of tangible fixed assets	(5)	(185)
Capital grants from DfE Group	-	26
Net cash used in investing activities	(5)	(155)

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23. Analysis of cash and cash equivalents

	28 February 2021 £000	<i>31 August 2020 £000</i>
Cash in hand	-	1,076

24. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Other non- cash changes £000
Cash at bank and in hand	1,076	(1,076)	-
Debt due within 1 year	(30)	16	14
Debt due after 1 year	(103)	-	103
	943	(1,060)	117

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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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 every 4 years. 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. 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 result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £244,000 (2020 - £692,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 period ended 28 February 2021 was £77,000 (2020 - £221,000), of which employer's contributions totalled £60,000 (2020 - £169,000) and employees' contributions totalled £ 17,000 (2020 - £52,000). The agreed contribution rates for future years are 18.3% per cent for employers and 5.5 - 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.50	3.25
Rate of increase for pensions in payment/inflation	2.50	2.25
Discount rate for scheme liabilities	1.30	1.60

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.3	23.2
Females	25.9	25.9

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	8,465	7,199
Discount rate -0.1%	8,911	7,576
Mortality assumption - 1 year increase	9,033	7,661
Mortality assumption - 1 year decrease	8,351	7,119

Share of scheme assets

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

	Period ended 28 February 2021 £000	Year ended 31 August 2020 £000
Equities	2,038	1,877
Gilts and bonds	358	391
Property	345	413
Cash and other liquid assets	174	123
Other	336	336
Total market value of assets	3,251	3,140

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25. Pension commitments (continued)

The actual return on scheme assets was £94000 (2020 - £125,000).

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

	Period ended 28 February 2021 £000	<i>Year ended 31 August 2020 £000</i>
Current service cost	(145)	(389)
Interest income	17	67
Interest cost	(39)	(136)
Administrative expenses	-	(1)
Total amount recognised in the Statement of Financial Activities	(167)	(459)

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

	28 February 2021 £000	<i>31 August 2020 £000</i>
At 1 September	7,385	7,356
Funds transferred to The Minster Trust for Education	(8,685)	-
Current service cost	145	389
Interest cost	39	136
Employee contributions	17	52
Actuarial losses/(gains)	1,159	(514)
Benefits paid	(60)	(34)
At 28 February	-	7,385

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25. Pension commitments (continued)

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

	28 February 2021 £000	<i>31 August 2020 £000</i>
At 1 September	3,140	3,507
Funds transferred to The Minster Trust for Education	(3,251)	-
Interest income	17	67
Actuarial gains/(losses)	77	(620)
Employer contributions	60	169
Employee contributions	17	52
Benefits paid	(60)	(34)
Administration expenses	-	(1)
At 28 February	-	3,140

26. Operating lease commitments

At 28 February 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2021 £000	<i>31 August 2020 £000</i>
Not later than 1 year	4	6
Later than 1 year and not later than 5 years	-	1
	4	7

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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Notes to the Financial Statements
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28. Related party transactions

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

Expenditure Related Party Transactions

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

29. 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.

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30. Transfer out on academies leaving the academy

As described in the Trustees' Report, on 1 January 2021, the academy was transferred to The Minster Trust for Education. The assets and liabilities of the academy noted below were transferred at £nil consideration.

	Transfer out on academy leaving the trust £000
Tangible fixed assets	
Long-term leasehold land	602
Leasehold buildings	7,126
Furniture and equipment	117
Computer equipment	43
Current assets	
Debtors due within one year	190
Cash at bank and in hand	1,035
Liabilities	
Creditors due within one year	(567)
Creditors due after one year	(87)
Pensions	
Defined benefit pension scheme assets	3,251
Defined benefit pension scheme liabilities	(8,685)
Net assets	<u><u>3,025</u></u>