

Company Registration No. 07708890 (England and Wales)

NEW RIVER TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016



NEW RIVER TRUST

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NEW RIVER TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

J Beer	(term of office ends on 2 October 2017)
S Burke	(term of office ends on 30 August 2017)
J Butler	(term of office ends on 15 October 2018)
A Callander	(term of office ends on 2 October 2017)
C Chessum	(term of office ends on 18 July 2016)
S Gold	Chair (term of office ends on 30 August 2017)
E Goldby	(term of office ends on 25 July 2017)
B Haley	(term of office ends on 26 October 2016)
L Hamlin	(term of office ends on 14 July 2019)
K Harrison	(term of office ends on 22 March 2019)
L Jones	(term of office ends on 22 March 2019)
M McKenzie	Headteacher and Governor
L Pinnick	(term of office ends on 16 July 2018)
N Scott	(term of office ends on 27 June 2017)
J Scott	Joint Vice-Chair and Chair of the resources committee (term of office ends 25 July 2017)
R Wells	Chair (term of office ends 18 April 2018)

Members

S Gold
E Goldby
L Pinnick
J Scott
R Wells
M McKenzie (resigned from membership 21 October 2015)
M McKenzie (resigned from membership 21 October 2015)

Senior leadership team

M McKenzie	- Headteacher
I Felfeli	- Deputy Headteacher, Performance and Development
J Marchant	- Deputy Headteacher, Pastoral Care
D Silverman	- Deputy Headteacher, Curriculum and Standards
A Falola	- Assistant Headteacher, Director of KS3
R O'Riordan-Fennessy	- Assistant Headteacher, Curriculum and Standards KS3 into KS4
P Short	- Assistant Headteacher, Director of Sixth Form
SJ Starkie	- Assistant Headteacher, Curriculum and Standards
G Stratis	- Assistant Headteacher, KS4

Company registration number

07708890 (England and Wales)

Registered office

Bidwell Gardens
London
N11 2AZ

NEW RIVER TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

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

Bankers

Lloyds TSB Bank Plc
Silver Street
PO Box 1000
BX1 1LT

Investment advisors

CCLA Investment Management Limited
COIF Charity Funds
Senator House
85 Queen Victoria Street
London
EC4V 4ET

NEW RIVER TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

On 12 September 2016 the academy changed its name from Alexandra Park School to New River Trust, the academy is currently still trading as Alexandra Park School.

The governors are the trustees of New River Trust and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

The academy was incorporated on 18 July 2011 and obtained Academy status from 1 October 2011.

Principal Activities

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

Members' liability

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

Governors' indemnities

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

Method of recruitment and appointment or election of governors

On 1 October 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. As set out in its Articles of Association the number of Governors shall be not less than 3, but shall not be subject to a maximum. The Academy Trust has the following Governors.

- up to 13 Governors, appointed under Article 50
- up to 3 Staff Governors, comprising up to 2 teacher(s) and up to 1 Support Staff, subject to Article 50A;
- 3 Parent Governors appointed under Articles 53-58;
- the Headteacher;
- any Additional Governors, if appointed under Article 62, 62A or 68A; and
- any Further Governors, if appointed under Article 63 or Article 68A.

Governors are appointed for a period of up to four years, except that this time limit does not apply to the Headteacher. When appointing new Governors, the Governing Body will give consideration to the range of skills and experience within the existing membership in order to ensure that the Governing Body has the necessary skills to contribute fully to the Academy's development.

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new Governors will depend upon their existing experience but will always include an induction meeting with the Chair and Clerk; a tour of the Academy; and a chance to meet staff and pupils.

All Governors are provided with copies of, or links to, essential policies and procedures, agendas and minutes, strategic documents, including those relating to financial planning and performance, and the APS Governors' Handbook. The Handbook is updated annually and includes details of the statutory framework under which the Academy operates, the roles and responsibilities of the Governing Body, its Standing Orders, and a detailed schedule of the business that will be conducted by the Governing Body and its Committees. There is an annual Governors' Planning Event which includes presentations aimed at keeping Governors updated on relevant developments that impact on their roles and responsibilities, and a minimum of two further shorter training events in any one year. External training is undertaken as required. The Governing Body subscribes to an online governance and training programme.

Governance Review

Governors reviewed the impact and effectiveness of the board in 2016, using a governance evaluation pro-forma designed to enable individual Governors and the board as a whole to evaluate performance against the key governance priorities identified by Ofsted in its publication "School Governance: Learning from the Best". The findings informed the programme for the Governors' Strategic Planning & Development Event in February 2016, including a SWOT analysis of the academy and discussion about its future direction. Arising out of this, a decision was made to invoke a consultation process to convert to multi-academy status (MAT) a process that is likely to result in the Academy becoming a MAT from November 2016.

Organisational structure

The Governing Body meets at least once a term. The Governing Body has established an overall framework for the governance of the Academy and has established 4 Committees (Academy Governance, Planning and Nominations; Curriculum; Inclusion; Personnel; and Resources). It has determined membership, terms of reference and delegated responsibilities and procedures for its Committees. It receives minutes and reports, including policies, from the Committees for consideration and/or ratification and monitors their activities through reports from the relevant Chairs. Fuller details of the purpose of each committee are shown under the 'Governance' section of the Governance Statement.

The following decisions are reserved to the Governing Body: to consider any proposals for changes to the status or constitution of the Academy and its Committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Headteacher and Clerk to the Governors; to approve the School Development Plan (SDP) and, on the recommendation of the Resources Committee, the Budget and Year-End Financial Statements. The Governing Body has devolved responsibility for the day-to-day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT consists of the Headteacher, three Deputy Headteachers and five Assistant Headteachers. The Headteacher is the Accounting Officer.

The Headteacher, one Deputy Headteacher, the Director of Finance and the Resources Committee are responsible for the authorisation of spending within agreed budgets as summarised in the Scheme of Delegation approved by the Governing Body. Some spending control is devolved to Budget Holders in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel comprise: the Headteacher; Deputy Heads and Assistant Heads. The Pay Committee determines the salary arrangements for the Head Teacher. The Personnel Committee approves the arrangements for the pay of the Deputy and Assistant Headteachers on the basis of recommendations from the Headteacher and in line with national pay and conditions. The Personnel Committee meets every year to review salary arrangements in line with relevant public information

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related parties and other connected charities and organisations

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

Objectives and activities

Objects and aims

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

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

Objectives, strategies and activities

Objectives, strategies and activities are set out in the SDP, having been determined in the context of Academy priorities and the challenges and opportunities arising from national changes in education policy and funding. In 2016-17, these include the following:

- Meet the challenges of curriculum change at all key stages to ensure that the APS curriculum continues to develop, meeting the needs of all students and raising achievement
- Review the sixth form offer and entry requirements from September 2017 to ensure the curriculum continues to meet the needs of all students.
- Implement new system of multiple measures for evaluating Teaching & Learning
- secure agreement and funding for the construction of an additional sixth form building to enable expansion of our current provision
- Develop all aspects of student experience beyond the classroom, providing more targeted experiences that enhance student motivation and narrowing the gap in participation
- Embed work experience opportunities via enhanced use of alumni database and development of sixth form programme of study.
- Ensure that the literacy focus is maintained throughout the developing curriculum, especially as KS3 is reviewed.
- Develop new models of leadership programmes and school to school support

Additionally, the SDP for 2016-2017 includes a strand of activity that is related to the strategic development of the Academy post its change of status to MAT in November 2016, and in particular the following objectives:

- Ensure a smooth and compliant transition from Academy to MAT that is fully compliant with guidance and statutory legislation.
- Establish new governance structures and relevant membership and agree a Scheme of Delegation for the MAT, reflecting legislation and best practice
- Make explicit the vision and strategic direction for the MAT and start the process of considering potential partners

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

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

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

The Academy follows the Admission Policy of the London Borough of Haringey. Children with a statement of Special Educational Needs which named the school were admitted in accordance with Section 324 of the Education Act 1996. Criteria for admissions in 2015-2016 were as follows:

- Children in Care
- Social/Medical needs
- Brother or sister already attending the school
- Distance from the school
- Tie breaker - children living closest to the school

Strategic report

Achievements and performance

The Academy teaches young people from the age of 11-18. In 2015-2016, the Academy's KS3 results showed an increasing trend in students achieving high levels and the progress made at this stage carried into KS4 outcomes. Achievement in English, maths and science was outstanding both in terms of attainment and value-added. In 2015-2016, 80% of students gained a GCSE in English and maths. The Academy had record numbers of students taking A Level examinations; students received a 100% pass rate at A2, with 92% achieving A*-C grades, 70% A*-B grades. Just over 38% of the sixth form cohort in 2015-2016 progressed to Russell Group universities with 80% of the cohort being awarded their first choice university.

The Academy achieved a number of awards or kitemarks, reflecting its commitment to excellence in education. These included, for example, the World Class Schools Quality Mark, London Mayor's Gold Club School, and Associate membership of the Royal Society Schools and Colleges.

The Academy is heavily oversubscribed. It received 1678 applications for the 232 places available in Year 7 in September 2016.

The Academy met all of its objectives for 2015-2016. Achievements and performance were high and an improvement on those of the previous year, exceeding targets. In reviewing its achievement and performance, the Academy concluded that its proactive policy of retaining skilled and experienced staff through a focused CPD programme and support with the emphasis on self-reflection had impacted effectively. Staff displayed high levels of autonomy and confidence in the classroom and teaching was innovative and creative.

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2015- 2016 were 1496, an increase of 34 over 2014-2015.

Another key financial performance indicator is staffing costs as a percentage of total income and in the 2015-2016 year, the Governing Body set an indicator that staff costs should be no more than 80% of total income.

All financial performance indicators set by the Governing Body for this period were met. These were:

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

Going concern

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

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, total expenditure of £10,383K (2015 :£10,388K) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £176K (2015: 305k). This excludes the gain on investments of £138K (2015: £31K).

At 31 August 2016 the net book value of fixed assets was £20,244k (2015: £20,413k). Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Haringey Pension Fund, in which the Academy participates, showed a deficit of £3,286k (2015: £1,896k) at 31 August 2015. Of this sum, £1,015k was inherited by Alexandra Park School from the London Borough of Haringey on 1 October 2011, the date the local authority's staff transferred to employment with the Academy.

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, which is approximately £800K (2015: £800K).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £2,920k (2015: £2,727k) (total funds less the amount held in fixed assets and restricted funds) is greater than is needed and appropriate capital investment plans are under active consideration. In light of the Government freeze on school budgets and the potential impact of introduction of a national funding formula in the coming year, however, the school has determined that it is prudent to wait before committing to a specific capital plan before that date.

Investment policy and powers

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

Financial position

The Academy held fund balances at 31 August 2016 of £19,952k (2015: £21,315k) comprising £17,032k (2015: £18,588k) of restricted funds and £2,920K (2015: £2,727k) of unrestricted general funds.

Of the restricted funds £20,318K (2015: £20.454k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £3,286k (2015: £1,896k) in deficit.

Principal risks and uncertainties

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

Financial and Risk Management Objectives and Policies

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

A risk also arises in relation to the defined benefit pension LGPS scheme due to the deficit as at 31 August 2015 of £1,896k (2014: £1,748k).

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial - the Academy has considerable reliance on continued Government funding. This is recognised as a principal risk because the Academy cannot assume that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Academy is mindful in particular of the ongoing timetable of Government changes to funding levels for 16-18 year old students as the EFA reduces these to match those associated with Further Education colleges.

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

Reputational - the continuing success of the Academy is dependent on attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that student success and achievement are rigorously monitored and reviewed. The number of applicants applying for admission to the Academy in 2016-2017 was the highest number to date at 1678, with the Academy receiving the most first preferences of any Haringey school; the most second preferences; and the most third preferences.

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

Staffing - the success of the Academy is reliant on the quality of its leadership and staff. The Governors monitor and review policies and procedures to ensure continued development and training for all staff and approved the implementation of a new performance management system. The start of the 2016-2017 academic year saw the Academy fully staffed in all areas.

Fraud and mismanagement of funds - The Academy has contracted with an audit firm to provide Responsible Officer service to carry out checks on financial systems and records following sector guidance.

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

Plans for future periods

Details of the Academy's plans for the future are set out in the SDP which is available on the APS website or from the Clerk to the Governors. The SDP is regularly monitored by the SLT, the Governing Body and its Committees. It is amended annually by the SLT after consultation and input from staff and Governors. The curriculum priorities in the SDP are used to inform future budget priorities.

In summary, in 2016-2017 the Academy will:

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

The decision to become a MAT was made in the context in particular of formalising the Academy's commitment to working with partners to improve educational opportunities for students in the wider community.

NEW RIVER TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Funds held as custodian trustee on behalf of others

During the year and in response to a request from the London Borough of Haringey (LBH) the academy has acted as an agent for the Network Learning Community (NLC). The NLC is a consortium of all primary schools located in the west of the LBH. The NLC meets regularly at the academy to consider and co-ordinate improvement and support initiatives across its consortium schools. The academy had a brought forward creditor balance of £68,485 relating to undistributed funds. During the year the academy disbursed £8,800 from the fund, which includes an administration fee of £2,000 payable to the academy. An amount of £59,685 is included in other creditors relating to undistributed funds.

Auditor

In so far as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 6.12.2016 and signed on its behalf by:



R Wells

Chair of governors

NEW RIVER TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between New River Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

NEW RIVER TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the year with an overall attendance of 87%. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
J Beer	4	5
S Burke	5	5
A Callender	5	5
C Chessum	5	5
S Gold	4	5
E Goldby	4	5
B Haley	1	1
M McKenzie (Headteacher and governor)	5	5
L Pinnick	4	5
N Scott	4	5
J Scott	3	5
R Wells (Chair of governors)	5	5
J Butler	5	5
L Hamlin	5	5
K Harrison	3	5
L Jones	4	5

The Governing Body has established five Committees and the main purpose of each is summarised below. Terms of reference for each Committee are available from the Clerk to the Governing Body.

- Academy Governance, Planning and Nominations Committee – meets at least four times a year to determine, monitor, evaluate and/or review Academy policy and performance in relation to governance, including succession planning, nominations and elections to the Governing Body, governance assessment and evaluation processes and the annual programme of work for the Governing Body and its Committees based on its strategic priorities and funders' requirements.
- Curriculum Committee - meets once a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to the curriculum, including assessment and examination outcomes, KS3, 4, 5 and other relevant targets.
- Inclusion Committee – meets once a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to child protection, SEN provision, G&T pupils and pastoral care in the school.
- Personnel Committee – meets once a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to staffing, including CPD and performance management.
- Resources Committee - meets at least four times a year to determine, monitor, evaluate and/or review Academy policy and performance in relation to financial management, including the year-end financial statements and the annual budget, and premises management. The Resources Committee also received Responsible Officer reports and monitors these on behalf of the Governing Body.

NEW RIVER TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
S Gold	3	5
B Haley	0	1
M McKenzie (Headteacher and governor)	5	5
L Pinnick	3	5
N Scott	5	5
J Scott	5	5
R Wells (Chair of governors)	5	5
K Harrison	5	5

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources have 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Maximising income through ensuring no vacancies within the KS3 and KS4 student cohort
- Maximising income through increased recruitment of students into the sixth form
- Increased school performance at GCSE despite budget reductions
- Increased school performance at A level despite budget reductions
- Reducing staffing costs to maintain below 80% as a proportion of the budget

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in New River Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

NEW RIVER TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body considered the need for a specific internal audit function and decided to appoint an internal audit firm with effect from September 2013. In 2013 it appointed Wilkins Kennedy LLP, a firm of accountants who specialise in the field of education, to perform the internal audit function in role as Responsible Officer. The appointment of Wilkins Kennedy LLP in this role was re-confirmed for 2015-2016. The role of Responsible Officer includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Wilkins Kennedy reported to the Resources Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. All work was completed as planned and actions implemented to bring about improvements where these were identified. There were no material control issues.

The schedule of audit work agreed by the Resources Committee for 2015-2016 was undertaken via two audit visits, one in January 2016 and one in April 2016. Visit 1 included a review and testing of controls in relation to Partnership and Resources; Financial Procedures, Accounting Records and Systems and Other Income as well as Purchasing, VAT, Cash Control and compliance with website requirements for academies. Visit 2 included a review and testing of controls in relation to Leadership and Governance, including Governance Policies, Year End Procedures and Budget Processes and the relationship between the latter and the School Development Plan, Data Protection and Security and Payroll. There were nine management recommendations arising out of the two visits, all of which were agreed and were subsequently addressed by the Academy. The majority of these relate to ways of improving current practice and none of which were of material concern.

Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the board of governors on 6.12.2016 and signed on its behalf by:



M McKenzie
Headteacher and governor



R Wells
Chair of governors

NEW RIVER TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

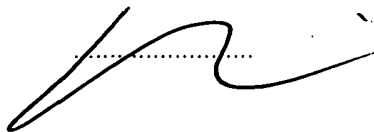
FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of New River Trust I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 governors and EFA.

M McKenzie
Accounting Officer

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned below the printed name and title.

NEW RIVER TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees for New River Trust and are also the directors of New River Trust for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of governors on 6.12.2016 and signed on its behalf by:

R Wells
Chair of governors



NEW RIVER TRUST

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

We have audited the accounts of New River Trust for the year ended 31 August 2016 set out on pages 21 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 16, the governors, who are also the directors of New River Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

NEW RIVER TRUST

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Wilkins Kennedy Ltd

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

Chartered Accountants

Statutory Auditor

5 Yeomans Court

Ware Road

Hertford

Hertfordshire

SG13 7HJ

Dated: *20th December 2016*

NEW RIVER TRUST

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

In accordance with the terms of our engagement letter dated 3 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New River Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of New River Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

NEW RIVER TRUST

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

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy LLP

Reporting Accountant

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

Dated: *20th December 2016*

NEW RIVER TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2016 £'000s	Total 2015 £'000s
Income from:						
Donations and capital grants	3	221	-	49	270	225
Charitable activities:						
- Funding for educational operations	4	-	9,547	-	9,547	9,728
Other trading activities	5	309	-	-	309	279
Investments	6	15	-	-	15	16
Total income		<u>545</u>	<u>9,547</u>	<u>49</u>	<u>10,141</u>	<u>10,248</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	<u>490</u>	<u>9,426</u>	<u>467</u>	<u>10,383</u>	<u>10,389</u>
Total expenditure	7	<u>490</u>	<u>9,426</u>	<u>467</u>	<u>10,383</u>	<u>10,389</u>
Gains on investments		<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>31</u>
Net income/(expenditure)		193	121	(418)	(104)	(110)
Transfers between funds		-	(285)	285	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	<u>-</u>	<u>(1,259)</u>	<u>-</u>	<u>(1,259)</u>	<u>(96)</u>
Net movement in funds		193	(1,423)	(133)	(1,363)	(206)
Reconciliation of funds						
Total funds brought forward		<u>2,727</u>	<u>(1,863)</u>	<u>20,451</u>	<u>21,315</u>	<u>21,520</u>
Total funds carried forward		<u>2,920</u>	<u>(3,286)</u>	<u>20,318</u>	<u>19,952</u>	<u>21,314</u>

NEW RIVER TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £'000s	2015 £'000s
Fixed assets			
Tangible assets	12	20,244	20,412
Current assets			
Stocks	13	4	5
Debtors	14	245	226
Investments	15	1,131	993
Cash at bank and in hand		2,149	2,035
		<u>3,529</u>	<u>3,259</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(535)	(461)
Net current assets		<u>2,994</u>	<u>2,798</u>
Net assets excluding pension liability		<u>23,238</u>	<u>23,210</u>
Defined benefit pension liability	20	(3,286)	(1,896)
Net assets		<u>19,952</u>	<u>21,314</u>
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		20,318	20,451
- Restricted income funds		-	32
- Pension reserve		(3,286)	(1,896)
Total restricted funds		<u>17,032</u>	<u>18,587</u>
Unrestricted income funds	18	<u>2,920</u>	<u>2,727</u>
Total funds		<u>19,952</u>	<u>21,314</u>

The accounts set out on pages 21 to 43 were approved by the board of governors and authorised for issue on 6.12.2016 and are signed on its behalf by:


R Wells
Chair of governors

Company Number 07708890

NEW RIVER TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000s	2015 £'000s
Cash flows from operating activities			
Net cash provided by operating activities	21	349	244
Cash flows from investing activities			
Dividends, interest and rents from investments		15	16
Capital funding from sponsors and others		49	-
Payments to acquire tangible fixed assets		(299)	(83)
Payments to acquire investments		-	(600)
		(235)	(667)
Change in cash and cash equivalents in the reporting period		114	(423)
Cash and cash equivalents at 1 September 2015		2,035	2,458
Cash and cash equivalents at 31 August 2016		<u>2,149</u>	<u>2,035</u>

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts for the year ended 31 August 2016 are the first accounts of New River Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

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

Sponsorship income

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 trust has provided the goods or services.

Donated goods, facilities and services

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

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

Freehold land and buildings	2%
Assets under the course of construction	
Computer equipment	50%
Furniture and fittings	25%
Motor vehicles	20%

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

1.6 Liabilities

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

1.7 Leasing commitments

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

1.8 Investments

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

1.9 Stock

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

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

1.13 Agency arrangements

The academy acts as an agent for a local nursery and also for the Network Learning Community. Funding received and the associated distributions made are excluded from the statement of financial activity as the academy does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

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

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Comparative year information

Year ended 31 August 2015	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Endowment Funds £'000s	Total 2015 £'000s
Income and endowments from:					
Donations and capital grants	225	-	-	-	225
Charitable activities:					
- Funding for	-	9,728	-	-	9,728
Other trading activities	279	-	-	-	279
Investments	16	-	-	-	16
Total income and endowments	520	9,728	-	-	10,248
Expenditure on:					
Charitable activities:					
- Educational operations	-	9,945	444	-	10,389
Total expenditure	-	9,945	444	-	10,389
Gains on investments	-	-	-	31	31
Net income/(expenditure)	520	(217)	(444)	31	(110)
Transfers between funds	-	(79)	79	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	-	(96)	-	-	(96)
Net movement in funds	520	(392)	(365)	31	(206)

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2016 £'000s	Total 2015 £'000s
Capital grants	-	49	49	-
Other donations	221	-	221	225
	221	49	270	225

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2016 £'000s	Total 2015 £'000s
DfE / EFA grants				
General annual grant (GAG)	-	8,631	8,631	8,691
Other DfE / EFA grants	-	379	379	442
	<u>-</u>	<u>9,010</u>	<u>9,010</u>	<u>9,133</u>
Other government grants				
Local authority grants	-	478	478	588
Other government grants	-	59	59	7
	<u>-</u>	<u>537</u>	<u>537</u>	<u>595</u>
Total funding	<u>-</u>	<u>9,547</u>	<u>9,547</u>	<u>9,728</u>

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2016 £'000s	Total 2015 £'000s
Hire of facilities	113	-	113	88
Other income	196	-	196	191
	<u>309</u>	<u>-</u>	<u>309</u>	<u>279</u>

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2016 £'000s	Total 2015 £'000s
Short term deposits	<u>15</u>	<u>-</u>	<u>15</u>	<u>16</u>

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2016 £'000s	Total 2015 £'000s
Academy's educational operations					
- Direct costs	7,050	314	939	8,303	8,308
- Allocated support costs	1,110	249	721	2,080	2,081
	<u>8,160</u>	<u>563</u>	<u>1,660</u>	<u>10,383</u>	<u>10,389</u>
Total expenditure	<u>8,160</u>	<u>563</u>	<u>1,660</u>	<u>10,383</u>	<u>10,389</u>

Net income/(expenditure) for the year includes:

	2016 £'000s	2015 £'000s
Fees payable to auditor for:		
- Audit	9	9
- Other services	3	6
Operating lease rentals	16	18
Depreciation of tangible fixed assets	<u>467</u>	<u>444</u>

8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2016 £'000s	Total 2015 £'000s
Direct costs - educational operations	490	7,813	8,303	8,308
Support costs - educational operations	-	2,080	2,080	2,081
	<u>490</u>	<u>9,893</u>	<u>10,383</u>	<u>10,389</u>

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Charitable activities	(Continued)	
Analysis of costs	2016 £'000s	2015 £'000s
Direct costs		
Teaching and educational support staff costs	7,031	7,024
Staff development	19	26
Depreciation and amortisation	314	315
Educational supplies and services	659	684
Examination fees	167	150
Educational consultancy	47	51
Other direct costs	66	58
	<u>8,303</u>	<u>8,308</u>
Support costs		
Support staff costs	1,110	923
Depreciation and amortisation	153	129
Technology costs	-	20
Maintenance of premises and equipment	96	191
Cleaning	118	119
Energy costs	126	132
Rent and rates	46	33
Insurance	47	66
Security and transport	12	7
Catering	52	59
Interest and finance costs	71	(1)
Other support costs	224	378
Governance costs	25	25
	<u>2,080</u>	<u>2,081</u>
9 Staff costs		
	2016 £'000s	2015 £'000s
Wages and salaries	6,153	6,015
Social security costs	569	496
Operating costs of defined benefit pension schemes	1,155	1,012
	<u>7,877</u>	<u>7,523</u>
Staff costs		
Supply staff costs	264	383
Staff restructuring costs	-	20
Staff development and other staff costs	19	47
	<u>8,160</u>	<u>7,973</u>

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

(Continued)

Staff numbers

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

	2016 Number	2015 Number
Teachers	101	101
Administration and support	82	72
Management	9	8
	<u>192</u>	<u>181</u>

Higher paid staff

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

	2016 Number	2015 Number
£60,000-£70,000	7	7
£70,001-£80,000	2	1
£140,001-£150,000	-	1
£150,001 - £160,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1 and the finance manager. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £803,815 (2015: £677,823).

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Governors' remuneration and expenses

The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year there were expenses of £5,214 reimbursed to two governors (2015: £nil).

The value of governors' remuneration was as follows:

M McKenzie (headteacher)

Remuneration

£155,001- £160,000 (2015: £145,001-£150,000)

Employers pension contributions

£25,001 - £30,000 (2015: £20,001-£25,000)

J Butler and L Hamlin - staff governors (combined)

Remuneration £73,866 (2015: E McDonald, J Butler and S Levi £118,697)

Employers pension contributions £13,609 (2015: E McDonald, J Butler and S Levi £19,749)

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

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

11 Governors and officers insurance

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible fixed assets

	Freehold land and buildings	Assets under the course of construction	Computer equipment	Furniture and fittings	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Cost						
At 1 September 2015	21,399	-	87	487	26	21,999
Additions	135	7	38	119	-	299
At 31 August 2016	21,534	7	125	606	26	22,298
Depreciation						
At 1 September 2015	1,217	-	42	310	18	1,587
Charge for the year	314	-	44	103	6	467
At 31 August 2016	1,531	-	86	413	24	2,054
Net book value						
At 31 August 2016	20,003	7	39	193	2	20,244
At 31 August 2015	20,182	-	45	177	8	20,412

Included in land and buildings is land valued at £5,662K (2015: £5,662K) which is not depreciated.
The land and buildings additions in the year relates to the upgrading of the fitness suite and the sixth form block.

13 Stocks

	2016 £'000s	2015 £'000s
Other stock	4	5

14 Debtors

	2016 £'000s	2015 £'000s
Trade debtors	33	-
VAT recoverable	64	35
Prepayments and accrued income	148	191
	245	226

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

15 Current asset investments

	£'000s
Balance brought forward	993
Gains in year	138
Balance carried forward	<u>1,131</u>

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

16 Creditors: amounts falling due within one year	2016 £'000s	2015 £'000s
Trade creditors	220	159
Other creditors	99	115
Accruals and deferred income	216	187
	<u>535</u>	<u>461</u>
17 Deferred income	2016 £'000s	2015 £'000s
Deferred income is included within:		
Creditors due within one year	127	110
	<u>110</u>	<u>103</u>
Deferred income at 1 September 2015	110	103
Released from previous years	(110)	(103)
Amounts deferred in the year	127	110
Deferred income at 31 August 2016	<u>127</u>	<u>110</u>

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

	Balance at 1 September 2015 £'000s	Incoming resources £'000s	Resources expended £'000s	Gains, losses & transfers £'000s	Balance at 31 August 2016 £'000s
Restricted general funds					
General Annual Grant	33	8,631	(8,379)	(285)	-
Other DfE / EFA grants	-	379	(379)	-	-
Other government grants	-	537	(537)	-	-
	<u>33</u>	<u>9,547</u>	<u>(9,295)</u>	<u>(285)</u>	<u>-</u>
Funds excluding pensions	33	9,547	(9,295)	(285)	-
Pension reserve	(1,896)	-	(131)	(1,259)	(3,286)
	<u>(1,863)</u>	<u>9,547</u>	<u>(9,426)</u>	<u>(1,544)</u>	<u>(3,286)</u>
Restricted fixed asset funds					
Local authority capital grants	-	49	-	(13)	36
Non government catering grant	39	-	-	(1)	38
General fixed assets	20,412	-	(467)	299	20,244
	<u>20,451</u>	<u>49</u>	<u>(467)</u>	<u>285</u>	<u>20,318</u>
Total restricted funds	<u>18,588</u>	<u>9,596</u>	<u>(9,893)</u>	<u>(1,259)</u>	<u>17,032</u>
Unrestricted funds					
General funds	2,727	545	(490)	138	2,920
	<u>2,727</u>	<u>545</u>	<u>(490)</u>	<u>138</u>	<u>2,920</u>
Total funds	<u>21,315</u>	<u>10,141</u>	<u>(10,383)</u>	<u>(1,121)</u>	<u>19,952</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

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

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

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

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2016 £'000s
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	20,244	20,244
Current assets	3,455	-	74	3,529
Creditors falling due within one year	(535)	-	-	(535)
Defined benefit pension liability	-	(3,286)	-	(3,286)
	<u>2,920</u>	<u>(3,286)</u>	<u>20,318</u>	<u>19,952</u>

20 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the period amounted to £728k (2015: £620k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The estimated value of employer contributions for the forthcoming year is £352,000

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

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

Total contributions made	2016 £'000s	2015 £'000s
Employer's contributions	371	345
Employees' contributions	92	89
Total contributions	463	434

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations (Continued)

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.1	4.5
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2	3.7
Expected return on assets	2	3.7

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

	2016 Years	2015 Years
Retiring today		
- Males	21.9	21.9
- Females	24.1	24.1
Retiring in 20 years		
- Males	24.2	24.2
- Females	26.5	26.5

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

	2016 Fair value £'000s	2015 Fair value £'000s
Equities	3,438	2,515
Bonds	1,112	826
Cash	101	38
Property	405	376
Total market value of assets	5,056	3,755
Actual return on scheme assets - gain/(loss)	928	(144)

Amounts recognised in the statement of financial activities

	2016 £'000s	2015 £'000s
Current service cost (net of employee contributions)	431	398
Net interest cost	71	(1)

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2016 £'000s	2015 £'000s
Obligations at 1 September 2015	5,651	4,973
Current service cost	431	398
Interest cost	217	192
Employee contributions	92	89
Actuarial loss	2,041	47
Benefits paid	(90)	(48)
At 31 August 2016	8,342	5,651
Changes in the fair value of the academy trust's share of scheme assets	2016 £'000s	2015 £'000s
Assets at 1 September 2015	3,755	3,225
Interest income	146	126
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	782	18
Employer contributions	371	345
Employee contributions	92	89
Benefits paid	(90)	(48)
At 31 August 2016	5,056	3,755
21 Reconciliation of net expenditure to net cash flows from operating activities	2016 £'000s	2015 £'000s
Net expenditure for the reporting period	(242)	(141)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(49)	-
Investment income	(15)	(16)
Defined benefit pension costs less contributions payable	60	53
Defined benefit pension net finance cost/(income)	71	(1)
Depreciation of tangible fixed assets	467	444
(Increase)/decrease in stocks	1	-
(Increase)/decrease in debtors	(18)	(70)
Increase/(decrease) in creditors	74	(25)
Net cash provided by operating activities	349	244

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Contingent liabilities

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

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

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

23 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000s	2015 £'000s
Amounts due within one year	4	16
Amounts due in two and five years	2	3
	<u>6</u>	<u>19</u>

24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place during the year:

E Scott - daughter of J Scott (a Governor of the academy)

During the year a total of £750 (2015: £nil) was paid to E Scott in relation to dance lessons which she taught at the academy. There was no balance outstanding at the year end (2015: £nil).

The trust made this transaction at arms' length and in entering into the transaction the academy has complied with the requirements of the Academies Financial Handbook 2015.

25 Members' liability

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

NEW RIVER TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

26 Agency arrangements

During the year the academy has acted as an agent for the Network Learning Community. The academy had a brought forward creditor balance of £59,685 relating to undistributed funds. During the year the academy received an additional £25,000 which was added to the fund balance and disbursed £14,145 from the fund, which includes an administration fee of £2,000 payable to the academy. An amount of £70,540 is included in other creditors relating to undistributed funds.

The academy has also acted as an agent for a local nursery. The academy had a brought forward creditor balance of £31,000. In the accounting period ended 31 August 2016 the academy disbursed £29,000 from the fund. An amount of £2,000 is included in other creditors relating to undistributed funds.

27 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £'000s	31 August 2015 £'000s
Funds as reported under previous UK GAAP and under FRS 102	21,520	21,314
	<u> </u>	<u> </u>

Reconciliation of net loss for the previous financial period

	Notes	2015 £'000s
Net expenditure as reported under previous UK GAAP		(206)
Adjustments arising from transition to FRS 102:		
LGPS interest on scheme assets		67
LGPS actuarial gain		(67)
Net expenditure reported under FRS 102		<u>(206)</u>

Notes to reconciliations on adoption of FRS 102

LGPS - Interest on scheme assets

Under previous UK GAAP the Foundation recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability either at 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £67K and decrease the credit in other recognised gains and losses in the SOFA by an equivalent amount.