

Company registration number 06477646 (England and Wales)

NEWTON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

NEWTON ACADEMY TRUST

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NEWTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Representative of the Roman Catholic Archdiocese of Liverpool Fr Michael Fitzsimons
- Representative of the Church of England Diocese of Liverpool Mr Stuart Harrison
- Representative of Liverpool Hope University Reverend Cannon Professor Kenneth Newport

Trustees

Mr Michael Boland (Archdiocese of Liverpool Governors)
Katie Redmond-Fleetwood (Archdiocese of Liverpool Governors) (Appointed 8 September 2021)
Ms Vicky Roberts (CofE Diocese of Liverpool Governors)
Rev Chris Stafford (CofE Diocese of Liverpool Governors) (Resigned 15 December 2021)
Mrs Barbara Naylor (CofE Diocese of Liverpool Governors) (Resigned 15 December 2021)
Ms Jane Griffiths (CodE Diocese of Liverpool Governors)
Mrs Marie Adams (Staff Governor) (Resigned 1 September 2022)
Mrs Lesley White (Staff Governor) (Resigned 16 December 2021)
Mrs Bridget Leek (Staff Governor) (Resigned 16 December 2021)
Mrs Sue Cronin (Liverpool Hope University)
Mr Chris Leyland (Liverpool Hope University) (Resigned 1 October 2022)
Mrs Fran McCaul (Parent Governor)
Mrs Jennie Hughes (Parent Governor)
Lisa Cunliffe (Parent Governor)
Mrs Ann Robinson (LA Governor) (Resigned 16 December 2021)
Ben Foreman (Co-opted) (Appointed 24 February 2022)
Jeremy Sleith (LA Governor) (Appointed 24 February 2022)
Ruth Singh (CofE Diocese of Liverpool Governors) (Appointed 29 March 2022)

Senior management team

- Principal Mrs Marie Adams
- Vice Principal Mr Joe Ellis
- Vice Principal Mr Peter Ward (appointed 1 January 2022)
- Chief Financial Officer Mr Stephen Hughes

Company secretary

Mrs Donna Worthington

Company registration number

06477646 (England and Wales)

Principal and registered office

Ashton Road
Newton Le Willows
St Helens
Merseyside
WA12 0AQ

NEWTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Gardiner Russell Accounting Limited First Floor 2 Castle Buildings 147-149 Telegraph Road Heswall CH60 7SE
Bankers	Lloyds Bank 13/15 Hardshaw Street St Helens WA10 1QZ
Solicitors	Brabners Horton House Exchange Flags Liverpool L2 3YL

NEWTON ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The trust closed the sixth form provision in September 2021 and now operates an Academy for pupils aged 11 to 16 serving a catchment area in St. Helens. It has a pupil capacity of 1,350 and had a roll of 1,352 in the school census in October 2022.

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.

The charitable company operates as Hope Academy.

The trustees of Newton Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of governors.

Method of recruitment and appointment or election of trustees

The Articles of Association stipulate that the Academy shall have up to ten sponsor governors. The sponsor governors have decided to also appoint one local authority governor. The charity may also have a governor appointed by the Secretary of State and two co-opted governors.

The Academy currently has 9 trustees, Parent trustees are elected by ballot of parents and candidates must be parents at the time of their election. Staff governors are appointed by staff at the Academy.

Policies and procedures adopted for the induction and training of trustees

The trust will follow processes for any new recruits that are appropriate and use criteria for recruitment based on a review of existing board membership. The induction, training and support programme for Trustees will differ according to the nature of the post and the varying needs and experience of the individual concerned. There are, however, some general principles outlined below which should be common to all:

- An induction to the role, a tour of the site and an introduction to members of the Senior Leadership Team
- It is expected that incumbent trustees will provide a good deal of practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new trustees to integrate into a new situation
- The Trust's Equality and Diversity and related policies will be applicable to all
- The other trustees and governors will be informed of any new appointments
- Every trustee should be prepared to offer to support new trustees as appropriate

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

The management structure is tiered at three levels to ensure that responsibilities are devolved to those best able to make appropriate decisions: these being the Board of the Company (Members), the Trustees (meeting as the Governing Body), and the Senior Managers of the Academy.

The role undertaken by the Trustees is to support the senior management at a strategic level in achieving its stated objectives.

The Trustees are responsible for agreeing the Strategic Plan and relevant policies and procedures. It also has responsibility for adopting the Annual Budget and Medium-Term Financial Plan and Annual Financial Statements. In addition, the Governing Body authorises major decisions concerning use of resources including any capital expenditure and decisions relating to staffing.

There are 3 committees in addition to the Full Governing Body:

- Finance and Staffing Committee
- Community and Ethos
- Pay Committee
- Monitoring and Strategic Improvement

The Senior Management Team are comprised of the Principal, two Vice Principals, four Assistant Principals and two Associate Assistant Principals. The team leads the Academy at a strategic level, implementing the policies agreed by the Governors and reporting back to them on a regular basis. The Principal is the Accounting Officer. Other senior management positions during the period reported include the Director of Finance and Operations and Premises Manager who were responsible for support functions on a day-to-day basis.

Arrangements for setting pay and remuneration of key management personnel

The Chair and the Principal will review the performance and remuneration of other key management personnel on an annual basis. The new Principals salary was set using the Department for Education Headteacher pay calculator. Salaries of other key roles have been set using benchmarks of other similar schools.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	6,433,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Related parties and other connected charities and organisations

The Academy is sponsored by the Roman Catholic Archdiocese of Liverpool, the Church of England Diocese of Liverpool and the Liverpool Hope University.

All three sponsors are organisations with a major role in the provision of education in the region.

Please refer to note 25 for full details of all related party transactions.

Objectives and activities

Objects and aims

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

The Trust's Objects are:

- a. 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 joint Church of England and Catholic secondary school to be conducted in accordance with the Tenets of the Church of England and Roman Catholic Church offering a broad curriculum with a strong emphasis on.
- b. To provide facilities for recreational and other leisure time occupation for the community at large in the interest of social welfare and with the object of improving the conditions of life of the said community.

Aims of the academy

Core Values

RESPECT 'Love your neighbours as yourself' (Matthew 22:39)

COURAGE 'Be strong and courageous. Do not be frightened, and do not be dismayed, for the Lord your God is with you wherever you go' (Joshua 1:9)

AMBITION (Jesus said) "I am among you as the one who serves" (Luke 22:27)

HOPE 'I will put my hope in God' (Psalm 42:5)

Objectives, strategies and activities

Hope Academy is a school with a Christian ethos for students of all faiths and none. The Academy aims to provide an innovative curriculum, based on Excellence for All through personalised learning and aspires to be a Centre of Learning for all ages at the heart of the Newton le Willows community.

Hope Academy is committed to the message that Christ gave us when he instructed his followers "to love one another as I have loved you", we do this by:

- Providing a safe and happy environment for all.
- Providing quality learning and teaching.
- Celebrating achievement and endeavour.
- Developing technological and academic ability.
- Praying and worshipping together.
- Being polite, generous and thoughtful.
- Respecting and caring for each other.
- Reaching out to others through charity work.
- Accepting and forgiving each other.

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Public benefit

As set out in the memorandum the main objective of the Trust is the advancement of education within the United Kingdom, and in fulfilling that aim Hope Academy now aspires to the highest possible standards for 1,352 students aged 11-16.

The Academy has an additional objective which relates to the public benefit of the academy in the context of the wider community by the provision of recreational and other leisure facilities in the interest of social welfare and in generally improving the conditions of life of the community. Over the past year such events have been disrupted due to COVID restrictions, typically they would have included the following:

- Organisation of a Christmas Fayre facilitated by local businesses and attended by over 500 people.
- Local primary school pupils have attended Quiz kids' competitions.
- The Academy again hosted the meeting of the local Diocesan Synod which was well attended and again generated very positive feedback in terms of the facilities provided.
- Provision of sports facilities to a number of local clubs including football, rugby and tennis.
- Regular coffee mornings for existing and potential parents/guardians were held during the year.
- Hosts the Wigan Music service each week which is attended by over 400 people on a weekly basis.
- Hosts Stagecoach drama group each week which is attended by over 50 students on a weekly basis.
- Students hold an annual Christmas afternoon tea for the elderly
- Regular training events are held in the hall and chapel by the Archdiocese, Diocese and other partners.

The Academy prioritises its role in ensuring public benefit is achieved as can be seen in the range of activities above. However, it is also recognised that perhaps the greatest benefit the Academy can confer is in the provision of high-quality education to students. So, thereby supporting them to become valued citizens who can take the positive principles of the Academy forwards into their future lives, making a positive contribution to society.

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Context of academy

Hope Academy is a larger than average 11-16 comprehensive school, the Academy sixth form provision was closed in September 2021. As a joint Catholic and Church of England 11-16 Academy, our mission is to deliver high quality education by working together to inspire excellence guided by Christian values. As a Christian Academy, we consider the spiritual and social development of our young people to be as important as their academic success. Our Hope Academy vision, mission and core values underpin all decisions when planning the curriculum to ensure equality of education and provision for all.

The diverse context of students attending the academy provides significant challenge. The catchment area is divided into two areas, Newton East and Newton West. Newton West is in the bottom 10% of the deprivation index with employment and health at 10%, income in the bottom 13%, crime 24% and living conditions 28%. Despite these significant barriers we have high aspirations for our community of learners. By contrast, Newton West has a deprivation index of 59% which is 4 deciles higher.

The Academy is an average sized school with 1348 students on roll. There is an equal number of both boys (51%) and girls (49%). On indicators of deprivation, 32.39% of students are from disadvantaged backgrounds with 19.72% of these students also on the SEND register. In addition, there are 17.6% of students who require SEND support across the academy (KS3-22.3%, KS4 -16.4%). Students with EHCPs currently stand at 47, compared to 8 in 2016, there are also 18pupils for whom we receive top up funding.

Over the past 6 years the academy has undertaken a cultural shift. This cultural change is evident in the learning ethos across the academy. The academy has been transformed to a purposeful and happy place (for staff, students and parents) where students can learn, and teachers can teach. This is evident in the growing number on roll with 270 year 7 students on roll this year in comparison to 242 in year 11. Student numbers have increased year on year over the past 7 years from 1053 to 1348 and we have been an oversubscribed academy for the last 4 years.

In the April 2018 Section 48 Inspection, Hope Academy achieved Outstanding in ALL four areas of the inspection framework. The report clearly acknowledges commitment of our students, staff, parents, governors and wider community in building an Academy that we can be proud of. We aspire to be outstanding in all that we do, and this report celebrates the incredible journey that we, as the Hope Academy family, have all been on together.

Hope supports several schools locally and works with national partners including Sycol, SSAT and PiXL and is now a hub Academy for regional and national educational initiatives.

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

The Academy's curriculum vision is: "to create a personalised curriculum that promotes a love of learning; provides breadth of knowledge and skills, which is enriching and supportive and seeks to bridge the cultural knowledge gap in order to provide a platform for our students to succeed in whatever they aspire to do." The curriculum has been overhauled and is now continuously improved through a systematic quality assurance process at all levels. In key stage 3 students study a broad and balanced curriculum, in KS4 the curriculum prepares students for their final GCSE exams in year 11. We have a broad curriculum offer at KS4, with an expectation that a high number of student's study for the EBACC (55% in both year 10 and 11). Curriculums are supplemented by a strong SMSC curriculum (Inspire) and a developing vocational offer.

Students enter the academy below national averages and leave with outcomes at national average overall in English and RE, but they still remain below in Maths, MFL and Science.

	2018			2019			2022 (Predicted)			2022 (Actual)						2023 (Predicted)						
	ALL	PP GAP	SEND GAP	ALL	PP GAP	SEND GAP	ALL	PP GAP	SEND GAP	ALL	Adjusted	PP GAP	SEND GAP	PP Adjusted GAP	SEND Adjusted GAP	ALL	PP GAP	SEND GAP	Adjusted	Adjusted GAP	Adjusted GAP	
All Students	All Students			All Students			All Students			All Students			All Students			All Students			All Students			
AS	42.7			41.5			44.8			44.64	47.03	16.8	-12.97	-16.74	-11.53	42.8						
FS	-0.13	-0.17	-0.57	-0.37	-0.59	-0.63	-0.42	-0.8	-0.94	-0.34	-0.13	-0.79	0.09	-0.59	0.45	-0.25	-0.74	-1.11	-0.63	-0.32	-0.43	
HA	HA			HA			HA			HA			HA			HA			HA			
AS	59.1			55.6			59.5			60.26	62.06	12.1	-12.39	-17.2	-14.33	52.7						
FS	0.05	-0.13	0.36	-0.4	-0.65	-2.25	-0.53	-1.95	-1.39	-0.74	-0.55	-1.92	-0.87	-1.17	-1.18	-0.24	-1.34	-2.61	0.03	-0.63	-1.49	
MA	MA			MA			MA			MA			MA			MA			MA			
AS	41.5			38.3			45.3			45.52	48.34	14	-7.89	-11.33	3.35	35.7						
FS	-0.04	0.31	-0.68	-0.32	-0.58	-0.68	-0.55	-1.03	0.8	-0.44	-0.19	-1.07	-0.61	-0.74	0.55	0.15	-0.17	-0.4	-0.12	-0.17	-0.13	
LA	LA			LA			LA			LA			LA			LA			LA			
AS	23.4			24.3			33.5			32.4	33.77	7.92	-4.73	-10	-5.54	25.7						
FS	-0.52	-0.39	-0.06	-0.41	-0.65	0.28	0.09	-0.92	0.19	0.19	0.33	-0.71	0.34	-0.93	0.27	0.07	-0.21	0.14	0.04	-0.25	-0.06	
Males	Males			Males			Males			Males			Males			Males			Males			
AS	49.1			49.2			43.8			43.28	45.7	15.7	-7.44	-15.06	-8.07	39.1						
FS	-0.4	0.01	-0.22	-0.45	-0.99	-0.91	-0.52	-0.48	-0.94	-0.45	-0.13	-0.67	0.7	-0.37	0.75	-0.52	-0.91	-0.85	-0.26	-0.35	-0.4	
Females	Females			Females			Females			Females			Females			Females			Females			
AS	44.8			43			45.6			45.75	48.08	17.6	-8.85	-17.26	-14.3	45.7						
FS	0.11	-0.38	-0.87	-0.24	-0.17	-0.28	-0.33	0.67	-0.48	-0.23	-0.05	-0.89	31.1	-0.78	0.21	0.03	-0.58	-1.23	0.1	-0.53	-0.34	
Bucket Progress Score	Bucket Progress Score			Bucket Progress Score			Bucket Progress Score			Bucket Progress Score			Bucket Progress Score			Bucket Progress Score			Bucket Progress Score			
English	-0.12	0.29	0.68	0.21	0.49	-0.33	-0.55	0.61	-0.28	-0.18		0.75	0.02			-0.62	-0.46	1				
Maths	-0.25	-0.23	-0.33	-0.65	-0.92	-0.68	-0.81	-0.5	0.13	-0.63		-0.54	0.01			-0.43	-0.92	-1.09				
Ebaccc	-0.22	-0.1	-0.69	-0.48	-0.75	-0.52	-0.58	-0.91	0.14	-0.65		-0.8	0.13			-0.07	-0.81	-1.28				
Other	0.11	-0.11	0.52	-0.17	-0.47	-0.62	-0.04	-1.01	-0.01	0.06		-0.99	0.15			-0.02	-0.64	-1.02				

- Summary of 2022 KS4 Results
- Attainment is significantly improved, and progress is up slightly from 2019 but still below national (from -0.37 to -0.3)
- The achieved results are close to, and slightly above predictions. Predictions for 2023 indicate improvement to -0.2. Still below national and needs to be further improved.
- Predictions are -0.21 (Ma), -0.71 (Sc), -0.13 (MFL) indicating Science is likely to be the biggest concern
- Students with SEND secured better progress than students without SEND
- We secured good progress with low ability students
- Students performed well in English, Geography, Computing and open bucket subjects.
- Students educated offsite have a significant impact on the overall progress scores (0.21 difference made by around 12 students)

Key financial performance indicators

Financial performance is monitored regularly against budget and established expenditure profiles using a range of KPI's and particularly those advised when using integrated financial planning tools.

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. The Academy is also monitored through the completion and submission of ESFA returns:

- the annual Academies Accounts Return
- the Financial Plan for the period 2022 to 2025
- the annual Financial Management and Governance Evaluation

Going concern

After making appropriate enquiries, the board of trustees 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 trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies. In making this statement the Trustees considered and reviewed:

- 3-year indicative budgets which include cash flows
- Student number estimates for the following 3 years
- It's income streams and any over reliance on non-government funding

Financial review

The highest proportion of the Academy's funding is from the DfE via the Education Skills Funding Agency (ESFA) in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Trust. The GAG received during the period covered by this report and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for capital expenditure from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019) and the Academies Accounts Direction 2021/22, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the year ended 31 August 2022 expenditure committed by the Academy was £8,743,000 (2021: £7,526,000) which was funded by grants, with a balance of expenditure over income for the period being £150,000 (2021: £570,000 surplus income).

On 31 August 2022 the net book value of tangible fixed assets was £16,838,000 (2021: £17,210,000) and movements in tangible fixed assets are shown in note 13 to the accounts. The assets were used exclusively for the provision of education and the associated support services to the pupils of the Academy.

Reserves policy

It is prudent and sound financial practice to establish an adequate level of reserves for the following reasons:

- To build up a contingency for unforeseen events
- To allow for delays in funding and allow the finances to cope with short term cash flow problems
- To establish a provision to allow funding for lifecycle costs which will increase as the building, plant and equipment ages.

Additional resources will also be required to refresh the ICT resources which have a relatively short lifespan.

As funding for the academy will not increase to allow for increased costs, it is necessary to make allowances from budgets available and carry the reserve forwards.

Governors are aware that the Academy is now in a strong financial position and that reserves are likely to be required to be maintained as the building ages.

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Academy's current reserves (total funds less those held in fixed assets and restricted reserves) is £590,000 (2021: £492,000). Restricted general funds excluding the pension reserve are £1,214,000 (2021: £947,000), with a pension reserve of (£1,544,000) (2021: (£3,893,000)). Restricted fixed asset funds are £16,838,000 (2021: £17,211,000).

Included within restricted funds is an endowment fund of £883,000 (2021: £644,000).

Governors acknowledge that it is crucial that a level of reserves need to be re-established in the longer term to ensure that the finances of the academy are managed on a long-term sustainable basis.

When a defined benefit pension scheme is in a deficit position this would generally result in an increase in the employers' pension contributions over a period of years.

Investment policy

The Academy's investment policy is set out in the Endowment Statement of Investment Principles.

The Academy Deed of Gift sets out targeted contributions by sponsors into an endowment, with donations into the fund currently standing at £883,000 as identified in this report. The endowment has been transferred into an investment fund held with Rathbones Investment Managers in order to secure greater long-term returns on the asset and achieve more efficient use of resources.

The Trustees hold the Endowment Fund as a fund separate from all other funds held by the Academy under the name Newton Academy Trust. The Endowment funds are invested for the longer term, 10+ years: The investment objectives of the fund is to ensure income is generated to allow the Trustees to meet the trusts declared in the deed of gift, to maximise returns at an acceptable level of risk and to wherever possible always hold an amount at least as great as the Principal Sum as defined in the Deed. In 2017 and 2018 the Trustees allowed the academy to use £600k of the principal sum to aid financial recovery. The Academy has already repaid £400k and has plans to repay the £200k balance over the following two years.

The Trustees state a preference for adherence to Roman Catholic and Church of England ethical policies. Current embargoes exist on Arms, tobacco, Gambling and sanctity of life investments.

Principal risks and uncertainties

The prioritised risk continues to be the Trust not delivering improved outcomes for pupil and potential financial challenges due to any future changes in funding. Where significant financial risk remains adequate insurance cover has been arranged and put in place.

The internal control systems and exposure to risks are reviewed on a regular basis by management and Governors with appropriate action taken as necessary.

Pupil numbers have for a number of years been increasing, the Academy is now full and over-subscribed.

As funding for the Academy is predominantly based on per pupil-based formulae, there is a resulting positive impact on overall funding, and it is a priority from a financial perspective that the academy continues to recruit student numbers to the maximum allowed.

Financial and risk management objectives and policies

The Academy makes little use of financial instruments other than operational bank accounts. The trustees consider that the exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the financial position and of the results of the Academy.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

NEWTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

Key strategic priorities:

- To implement the Improvement Plan and continue with the Academy's journey towards an outstanding Ofsted status
- Improve the quality of teaching and learning over time.
- To ensure assessment data is accurate and is used in lessons so that all learners make good progress.
- To improve behaviour and safety of students.
- Ensure students have confidence in the Academy's systems for prevention and tackling all forms of bullying.
- To further develop the capacity and effectiveness of leadership at all levels.
- Ensure that the Academy continues operating an in year and cumulative financial surplus.

Sustainability

The Academy is committed to sustainable development throughout all aspects of its operation. The Academy will continue to strive to meet or exceed the Sustainable Development in Government targets.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires academies, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 September 2021 to 31 August 2022, the Academy paid 97% of invoices within 30 days, the Academy incurred no interest charges in respect of late payment for this period.

Auditor

In so far as the trustees are aware:

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

Gardiner Russell Accounting Limited was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 06 December 2022 and signed on its behalf by:



Mr Michael Boland
Archdiocese of Liverpool Governors

NEWTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Michael Boland (Archdiocese of Liverpool Governors)	5	6
Katie Redmond-Fleetwood (Archdiocese of Liverpool Governors) (Appointed 8 September 2021)	3	6
Ms Vicky Roberts (CofE Diocese of Liverpool Governors)	5	6
Rev Chris Stafford (CofE Diocese of Liverpool Governors) (Resigned 15 December 2021)	2	2
Mrs Barbara Naylor (CofE Diocese of Liverpool Governors) (Resigned 15 December 2021)	2	2
Ms Jane Griffiths (CodE Diocese of Liverpool Governors)	2	6
Mrs Marie Adams (Staff Governor) (Resigned 1 September 2022)	5	6
Mrs Lesley White (Staff Governor) (Resigned 16 December 2021)	1	1
Mrs Bridget Leek (Staff Governor) (Resigned 16 December 2021)	3	3
Mrs Sue Cronin (Liverpool Hope University)	4	6
Mr Chris Leyland (Liverpool Hope University) (Resigned 1 October 2022)	4	6
Mrs Fran McCaul (Parent Governor)	6	6
Mrs Jennie Hughes (Parent Governor)	4	6
Lisa Cunliffe (Parent Governor)	3	6
Mrs Ann Robinson (LA Governor) (Resigned 16 December 2021)	1	3
Ben Foreman (Co-opted) (Appointed 24 February 2022)	3	3
Jeremy Sleith (LA Governor) (Appointed 24 February 2022)	2	3
Ruth Singh (CofE Diocese of Liverpool Governors) (Appointed 29 March 2022)	2	2

Conflicts of interest

As an exempt charity, regulated by the principal regulator, the Department of Education (DfE), duties are placed on Trustees to act in the best interests of the trust's charitable objects and avoid conflicts of interests. We as trustees are aware of this obligation and are able to recognise what constitutes a conflict or related party transaction.

Whilst it is not possible to avoid all conflicts of interests and loyalty will not be possible or even preferable, we as an academy trust will demonstrate that public funds have been used in an appropriate manner, protecting the reputations of the academy trust, its trustees and senior managers. We have introduced robust and effective measure to manage real and perceived conflicts to ensure prevention, identification, management and recording of conflicts of interest, backed up by policies such as whistleblowing, Academies Financial and Governance Handbook. Management procedures are in place to support the decision making, reporting and recording of related party transactions, conflicts of interest and conflicts of loyalty for all senior staff, Members and Trustees.

NEWTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governance reviews

The Trustee's commissioned an external review of Governance arrangements from an experienced National Leader of Governance in the Summer of 2021, an improvement plan has been drawn up and is work against the improvement plan is now in progress.

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to work in consultation with the Principal and the Director of Finance and Resources to provide guidance to the Governing Body on financial, staffing and facilities matters. The full Governing Body must take all decisions concerning the adoption and implementation of these recommendations in line with delegated powers. The Finance and Resources Committee also has responsibility for audit related issues and as such there is no separate audit sub-committee under the existing arrangement.

As a result of the Financial Notice to Improve, Trustee's decided towards the end of the financial year to move to six meetings per year, however it originally planned and had six meetings in the rolling calendar year. The first full academic year will be 2022-2023 in which six meetings will take place.

Attendance at meetings in the year was as follows:

Trustees		Possible	Attended
Michael Boland	Archdiocese of Liverpool	4	3
Jane Griffiths	CofE Diocese of Liverpool	4	3
Rev Dr Chris Stafford	CofE Diocese of Liverpool	1	1
Marie Adams	Principal	4	4
Christopher Leyland	CofE Diocese of Liverpool	4	4
Katie Fleetwood -Redmond	Archdiocese of Liverpool	4	2
Ben Foreman	Co-opted	2	2

The Monitoring and Strategic committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustees		Possible	Attended
Michael Boland	Archdiocese of Liverpool	6	5
Jane Griffiths	CofE Diocese of Liverpool	6	5
Marie Adams	Principal	6	6
Barbara Naylor	CofE Diocese of Liverpool	2	2
Sue Cronin	Liverpool Hope University	6	6
Jeremy Sleith	Local Authority	3	2

The Community and Ethics committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustees		Possible	Attended
Jennie Hughes	Parent	3	3
Vicky Roberts	CofE Diocese of Liverpool	3	3
Fran McCaul	Co-opted	3	2
Marie Adams	Principal	3	3
Ruth Singh	CofE Diocese of Liverpool	1	1

Review of value for money

As accounting officer, the principal 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.

NEWTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ongoing staffing reviews including a restructure of Core curriculum departments
- Careful consideration and consultation with the timetable before replacing staff resignations
- Increasing the scope of letting out the facilities for maximum income
- Annual review of SLAs to achieve best value

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 Newton Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees 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 trustees 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 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 trustees;
- regular reviews by the finance and general purposes 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The Trustees have Bishop Fleming perform additional checks and provide additional assurance to the Finance Committee and the Governing Body with regard to day-to-day transactions, procedures and any policy issues.

The Trustee's confirm that the internal auditor has delivered the schedule of work as planned and has been delivered in line with ESFA's requirements.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Budgets and financial monitoring
- Compliance
- Payroll
- Bank and petty cash
- Credit card review

NEWTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

On a termly basis, the auditor reports to the board of trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. On an annual basis, the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

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

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

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

Approved by order of the board of trustees on 06 December 2022 and signed on its behalf by:



Mr Michael Boland
Archdiocese of Liverpool Governors



Mrs Marie Adams
Staff Governor

NEWTON ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Newton Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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



Mrs Marie Adams
Accounting Officer

06 December 2022

NEWTON ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Newton Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 06 December 2022 and signed on its behalf by:



Mr Michael Boland
Archdiocese of Liverpool Governors

NEWTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWTON ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Newton Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NEWTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWTON ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

NEWTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWTON ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and when the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees Report.

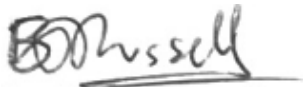
The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework, under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed the audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Benjamin Russell BSc FCA (Senior Statutory Auditor)
for and on behalf of Gardiner Russell Accounting Limited

6 December 2022

Chartered Accountants
Statutory Auditor

First Floor
2 Castle Buildings
147-149 Telegraph Road
Heswall
CH60 7SE

NEWTON ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEWTON ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 13 January 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newton Academy Trust during the period 1 September 2021 to 31 August 2022 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 Newton Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Newton Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newton Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newton Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Newton Academy Trust's funding agreement with the Secretary of State for Education dated 13 November 2008 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of internal controls
- Review of policies and procedures which have been implemented to ensure compliance with the framework
- Identification of areas where we identified a material risk of irregularity is likely to arise
- More detailed testing, on a sample basis, based on those higher risk areas.

Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2021 to 2022.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

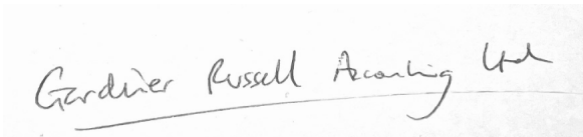
NEWTON ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in cursive script that reads "Gardiner Russell Accounting Ltd". The signature is written in dark ink on a light-colored background.

Reporting Accountant

Gardiner Russell Accounting Limited

Dated: 06 December 2022

NEWTON ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £000's	Restricted funds: General £000's	Fixed asset £000's	Endowment funds £000's	Total 2022 £000's	Total 2021 £000's
Income and endowments from:							
Donations and capital grants	4	-	-	47	-	47	133
Charitable activities:							
- Funding for educational operations	5	190	8,364	-	-	8,554	7,877
Other trading activities	6	26	-	-	-	26	16
Investments	7	15	-	-	-	15	10
Total		<u>231</u>	<u>8,364</u>	<u>47</u>	<u>-</u>	<u>8,642</u>	<u>8,036</u>
Expenditure on:							
Charitable activities:							
- Educational operations	9	214	8,039	486	-	8,739	7,526
Endowment repayment and costs		-	-	-	4	4	-
Total	8	<u>214</u>	<u>8,039</u>	<u>486</u>	<u>4</u>	<u>8,743</u>	<u>7,526</u>
Gains on endowment investments		-	-	-	(49)	(49)	60
Net income/(expenditure)		17	325	(439)	(53)	(150)	570
Transfers between funds	19	-	(358)	66	292	-	-
Other recognised gains/(losses)							
Actuarial gains on defined benefit pension schemes	21	-	2,649	-	-	2,649	173
Net movement in funds		17	2,616	(373)	239	2,499	743
Reconciliation of funds							
Total funds brought forward		492	(2,946)	17,211	644	15,401	14,658
Total funds carried forward		<u>509</u>	<u>(330)</u>	<u>16,838</u>	<u>883</u>	<u>17,900</u>	<u>15,401</u>

NEWTON ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted	Restricted funds:		Endowment	Total
		funds	General	Fixed asset	funds	2021
		£000's	£000's	£000's	£000's	£000's
Income and endowments from:						
Donations and capital grants	4	-	-	133	-	133
Charitable activities:						
- Funding for educational operations	5	103	7,774	-	-	7,877
Other trading activities	6	16	-	-	-	16
Investments	7	10	-	-	-	10
Total		<u>129</u>	<u>7,774</u>	<u>133</u>	<u>-</u>	<u>8,036</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	71	6,985	470	-	7,526
Total	8	<u>71</u>	<u>6,985</u>	<u>470</u>	<u>-</u>	<u>7,526</u>
Gains on endowment investments		-	-	-	60	60
Net income/(expenditure)		58	789	(337)	60	570
Transfers between funds	19	-	(138)	38	100	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	173	-	-	173
Net movement in funds		58	824	(299)	160	743
Reconciliation of funds						
Total funds brought forward		434	(3,770)	17,510	484	14,658
Total funds carried forward		<u>492</u>	<u>(2,946)</u>	<u>17,211</u>	<u>644</u>	<u>15,401</u>

NEWTON ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£000's	£000's	£000's	£000's
Fixed assets					
Tangible assets	13		16,838		17,210
Investments	14		812		566
			<u>17,650</u>		<u>17,776</u>
Current assets					
Stocks	15	36		24	
Debtors	16	323		341	
Cash at bank and in hand		1,835		1,712	
		<u>2,194</u>		<u>2,077</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(390)		(559)	
			<u>1,804</u>		<u>1,518</u>
Net current assets					
			<u>19,454</u>		<u>19,294</u>
Total assets less current liabilities					
Provisions for liabilities			(10)		-
Net assets before defined benefit pension scheme liability			<u>19,444</u>		<u>19,294</u>
Defined benefit pension scheme liability	21		(1,544)		(3,893)
Total net assets			<u>17,900</u>		<u>15,401</u>
Funds of the academy trust:					
Restricted funds					
- Fixed asset funds	19		16,838		17,211
- Restricted income funds			1,214		947
- Pension reserve			(1,544)		(3,893)
- Endowment funds			883		644
Total restricted funds			<u>17,391</u>		<u>14,909</u>
Unrestricted income funds					
	19		509		492
Total funds			<u>17,900</u>		<u>15,401</u>

The accounts on pages 23 to 45 were approved by the trustees and authorised for issue on 06 December 2022 and are signed on their behalf by:



Mr Michael Boland
Archdiocese of Liverpool Governors

Company registration number 06477646

NEWTON ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £000's	2021 £000's
Cash flows from operating activities			
Net cash provided by operating activities	22	474	895
Cash flows from investing activities			
Dividends, interest and rents from investments		15	10
Capital grants from DfE Group		26	25
Capital funding received from sponsors and others		21	108
Purchase of tangible fixed assets		(120)	(170)
Purchase of investments		(336)	(164)
Proceeds from sale of investments		41	64
Proceeds from sale of tangible fixed assets		6	-
Net cash used in investing activities		(347)	(127)
Cash flows from financing activities			
Endowment fund expenditure		(4)	-
Net cash used in financing activities		(4)	-
Net increase in cash and cash equivalents in the reporting period		123	768
Cash and cash equivalents at beginning of the year		1,712	944
Cash and cash equivalents at end of the year		<u>1,835</u>	<u>1,712</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Newton Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Going concern

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

After making appropriate enquiries the board is satisfied that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it adopts a going concern basis in preparing the financial statements. In making this statement the Trustees considered and reviewed:

- 3 year indicative budgets which include cash flows
- Student number estimates for the following 3 years
- It's income streams and any over reliance on non-government funding

1.3 Income

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

Grants

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

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

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% straight line
Plant and machinery	15% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

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 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at market value.

1.10 Financial instruments

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

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.11 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.

1.12 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.

1.13 Pensions benefits

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

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

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

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.14 Fund accounting

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

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

Endowment funds represent capital funds which must be held permanently or which may be expended by the Academy. Income arising from Endowment funds is allocated to the correspondingly named individual restricted income fund.

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

1.15 Agency Arrangements

The Academy Trust acts as agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administrative costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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

The trustees do not consider there to be any areas of judgement that are critical to the academy trust's financial statements.

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2022.

4 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
Capital grants	-	26	26	25
Other donations	-	21	21	108
	<u>-</u>	<u>47</u>	<u>47</u>	<u>133</u>

5 Funding for the academy trust's charitable activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
DfE/ESFA grants				
General annual grant (GAG)	-	7,455	7,455	6,493
Other DfE/ESFA grants:				
- Pupil premium	-	447	447	434
- DfE teaching grants	-	4	4	339
- Others	-	220	220	213
	<u>-</u>	<u>8,126</u>	<u>8,126</u>	<u>7,479</u>
Other government grants				
Local authority grants	-	125	125	191
	<u>-</u>	<u>125</u>	<u>125</u>	<u>191</u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	113	113	104
	<u>-</u>	<u>113</u>	<u>113</u>	<u>104</u>
Other incoming resources	190	-	190	103
	<u>190</u>	<u>-</u>	<u>190</u>	<u>103</u>
Total funding	<u>190</u>	<u>8,364</u>	<u>8,554</u>	<u>7,877</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6	Other trading activities					
		Unrestricted funds	Restricted funds	Total	Total	
		£000's	£000's	2022	2021	
				£000's	£000's	
	Hire of facilities (can modify)	26	-	26	16	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	
7	Investment income					
		Unrestricted funds	Restricted funds	Total	Total	
		£000's	£000's	2022	2021	
				£000's	£000's	
	Other investment income	15	-	15	10	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	
8	Expenditure					
		Staff costs	Non-pay expenditure		Total	Total
		£000's	Premises	Other	2022	2021
			£000's	£000's	£000's	£000's
	Endowment repayment	-	-	4	4	-
	Academy's educational operations					
	- Direct costs	5,361	486	446	6,293	5,568
	- Allocated support costs	1,038	593	815	2,446	1,958
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		6,399	1,079	1,265	8,743	7,526
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net income/(expenditure) for the year includes:				2022	2021
					£000's	£000's
	Fees payable to auditor for:					
	- Audit				11	17
	- Other services				3	3
	Depreciation of tangible fixed assets				490	470
	Gain on disposal of fixed assets				(4)	-
	Net interest on defined benefit pension liability				64	66
					<u> </u>	<u> </u>
9	Charitable activities					
		Unrestricted funds	Restricted funds	Total	Total	
		£000's	£000's	2022	2021	
				£000's	£000's	
	Direct costs					
	Educational operations	-	6,293	6,293	5,568	
	Support costs					
	Educational operations	214	2,232	2,446	1,958	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	
		214	8,525	8,739	7,526	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	
				2022	2021	

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities (Continued)

	£000's	£000's
Analysis of support costs		
Support staff costs	1,043	830
Depreciation	-	15
Premises costs	593	527
Other support costs	798	570
Governance costs	12	16
	<u>2,446</u>	<u>1,958</u>

10 Staff

Staff costs

Staff costs during the year were:

	2022 £000's	2021 £000's
Wages and salaries	4,567	4,080
Social security costs	460	389
Pension costs	1,289	1,048
	<u>6,316</u>	<u>5,517</u>
Staff costs - employees	6,316	5,517
Agency staff costs	83	61
	<u>6,399</u>	<u>5,578</u>
Staff development and other staff costs	34	-
	<u>6,433</u>	<u>5,578</u>

Staff numbers

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

	2022 Number	2021 Number
Teachers	78	74
Administration and support	65	53
Management	4	3
	<u>147</u>	<u>130</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

Higher paid staff

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

	2022 Number	2021 Number
£70,001 - £80,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £398,313 (2021: £355,518).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

M Adams (principal and trustee - resigned 01.09.2022):

- Remuneration £100,000 - £105,000 (2021: £95,000-£100,000)
- Employer's pension contributions £20,000 - £25,000 (2021: £20,000-£25,000)

L White (staff trustee - resigned 16.12.21):

- Remuneration £5,000 - £10,000 (2021: £25,000-£30,000)
- Employer's pension contributions £0-£5,000 (2021: £0-£5,000)

B Leek (staff trustee - resigned 16.12.2021):

- Remuneration £5,000 - £10,000 (2021: £30,000-£35,000)
- Employer's pension contributions £0-£5,000 (2021: £5,000-£10,000)

During the year, travel and subsistence payments totalling £nil (2021: £418) were reimbursed or paid directly to any trustees (2021: three trustees).

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

12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Land and buildings	Plant and machinery	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
At 1 September 2021	21,233	7,407	1,078	1,871	12	31,601
Additions	17	45	30	28	-	120
Disposals	-	-	-	-	(6)	(6)
At 31 August 2022	21,250	7,452	1,108	1,899	6	31,715
Depreciation						
At 1 September 2021	4,230	7,376	931	1,845	9	14,391
On disposals	-	-	-	-	(4)	(4)
Charge for the year	424	9	44	12	1	490
At 31 August 2022	4,654	7,385	975	1,857	6	14,877
Net book value						
At 31 August 2022	16,596	67	133	42	-	16,838
At 31 August 2021	17,003	31	147	26	3	17,210

14 Fixed asset investments

	Government securities	UK equities	Overseas equities	Other	Cash	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Market value						
At 1 September 2021	41	224	43	217	41	566
Disposals at opening book value	-	(12)	(29)	-	-	(41)
Acquisitions at cost	25	134	26	130	21	336
Change in value in the year	(4)	(21)	(4)	(20)	-	(49)
At 31 August 2022	62	325	36	327	62	812
Historical cost:						
At 31 August 2022	63	309	36	295	62	765
At 31 August 2021	38	187	39	165	41	470

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Fixed asset investments	(Continued)					
At 1 September 2021	41	224	43	217	41	566
Unrestricted funds	21	101	(7)	110	21	246
	<u>62</u>	<u>325</u>	<u>36</u>	<u>327</u>	<u>62</u>	<u>812</u>
15 Stocks					2022	2021
					£000's	£000's
School uniform					36	24
					<u>36</u>	<u>24</u>
16 Debtors					2022	2021
					£000's	£000's
Trade debtors					9	17
VAT recoverable					86	28
Prepayments and accrued income					228	296
					<u>323</u>	<u>341</u>
					<u>323</u>	<u>341</u>
17 Creditors: amounts falling due within one year					2022	2021
					£000's	£000's
Trade creditors					69	112
Other taxation and social security					118	101
EFA creditors					60	174
Other creditors					6	5
Accruals and deferred income					137	167
					<u>390</u>	<u>559</u>
					<u>390</u>	<u>559</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Deferred income

	2022 £000's	2021 £000's
Deferred income is included within:		
Creditors due within one year	1	52
	<u>1</u>	<u>52</u>
Deferred income at 1 September 2021	52	61
Released from previous years	(52)	(61)
Resources deferred in the year	1	52
	<u>1</u>	<u>52</u>
Deferred income at 31 August 2022	1	52

19 Funds

	Balance at 1 September 2021 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2022 £000's
Restricted general funds					
General Annual Grant (GAG)	916	7,455	(6,824)	(358)	1,189
Pupil premium	-	447	(447)	-	-
Catch-up premium	7	113	(120)	-	-
Other DfE/ESFA grants	24	224	(223)	-	25
Other government grants	-	125	(125)	-	-
Pension reserve	(3,893)	-	(300)	2,649	(1,544)
	<u>(2,946)</u>	<u>8,364</u>	<u>(8,039)</u>	<u>2,291</u>	<u>(330)</u>
Restricted fixed asset funds					
Inherited on conversion	16,958	-	(422)	-	16,536
DfE group capital grants	17	26	(9)	-	34
Capital expenditure from GAG	128	-	(13)	66	181
Private sector capital sponsorship	108	21	(42)	-	87
	<u>17,211</u>	<u>47</u>	<u>(486)</u>	<u>66</u>	<u>16,838</u>
Restricted endowment fund	<u>644</u>	<u>-</u>	<u>(4)</u>	<u>243</u>	<u>883</u>
Total restricted funds	14,909	8,411	(8,529)	2,600	17,391
Unrestricted funds					
General funds	<u>492</u>	<u>231</u>	<u>(214)</u>	<u>-</u>	<u>509</u>
Total funds	15,401	8,642	(8,743)	2,600	17,900

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development. The pension reserve represents the contributions from the LGPS and TPS.

Fixed Asset fund

These grants relate to funding from DfE, ESFA and private sponsors to carry out works of a capital nature as part of the school improvement plan. The transfer in the year is to reallocate fixed asset expenditure.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

Unrestricted funds

This fund primarily relates to income from lettings and teaching school income.

Endowment funds

This fund is an investment portfolio with the initial capital deriving from donations. It has been approved that £100k per year will be transferred back to the Endowment after an approved withdrawal in prior years.

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

	Balance at 1 September 2020 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2021 £000's
Restricted general funds					
General Annual Grant (GAG)	224	6,493	(5,556)	(245)	916
Pupil premium	-	434	(434)	-	-
Catch-up premium	-	104	(67)	(30)	7
Other DfE/ESFA grants	-	552	(528)	-	24
Other government grants	-	191	(191)	-	-
Other restricted funds	(137)	-	-	137	-
Pension reserve	(3,857)	-	(209)	173	(3,893)
	<u>(3,770)</u>	<u>7,774</u>	<u>(6,985)</u>	<u>35</u>	<u>(2,946)</u>
Restricted fixed asset funds					
Inherited on conversion	22,507	-	(445)	(5,104)	16,958
DfE group capital grants	(5,125)	25	(25)	5,142	17
Capital expenditure from GAG	128	-	-	-	128
Private sector capital sponsorship	-	108	-	-	108
	<u>17,510</u>	<u>133</u>	<u>(470)</u>	<u>38</u>	<u>17,211</u>
Restricted endowment fund	<u>484</u>	<u>-</u>	<u>-</u>	<u>160</u>	<u>644</u>
Total restricted funds	<u>14,224</u>	<u>7,907</u>	<u>(7,455)</u>	<u>233</u>	<u>14,909</u>
Unrestricted funds					
General funds	<u>434</u>	<u>129</u>	<u>(71)</u>	<u>-</u>	<u>492</u>
Total funds	<u>14,658</u>	<u>8,036</u>	<u>(7,526)</u>	<u>233</u>	<u>15,401</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Endowment Funds £000's	Total Funds £000's
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	-	-	16,838	-	16,838
Fixed asset investments	-	-	-	812	812
Current assets	509	1,614	-	71	2,194
Current liabilities	-	(390)	-	-	(390)
Provisions for liabilities	-	(10)	-	-	(10)
Pension scheme liability	-	(1,544)	-	-	(1,544)
Total net assets	509	(330)	16,838	883	17,900

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Endowment Funds £000's	Total Funds £000's
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	-	-	17,210	-	17,210
Fixed asset investments	-	-	-	566	566
Current assets	492	1,506	1	78	2,077
Current liabilities	-	(559)	-	-	(559)
Pension scheme liability	-	(3,893)	-	-	(3,893)
Total net assets	492	(2,946)	17,211	644	15,401

21 Pension 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 Mercer. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £884,000 (2021: £751,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.9% up until March 2023 and 19.1% starting April 2023 for employers and 5.5-12.5% for employees.

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

Total contributions made	2022 £000's	2021 £000's
Employer's contributions	280	239
Employees' contributions	75	61
Total contributions	<u>355</u>	<u>300</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations (Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.4	4.2
Rate of increase for pensions in payment/inflation	3.0	2.8
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.9	2.7
	<u> </u>	<u> </u>

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

	2022 Years	2021 Years
Retiring today		
- Males	20.9	21.0
- Females	24.0	24.1
Retiring in 20 years		
- Males	22.4	22.6
- Females	25.9	26.0
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

The academy trust's share of the assets in the scheme	2022 Fair value £000's	2021 Fair value £000's
Equities	2,221	2,351
Government bonds	428	64
Other bonds	161	540
Cash/liquidity	101	82
Property	497	435
Other assets	1,198	1,103
	<u> </u>	<u> </u>
Total market value of assets	4,606	4,575
	<u> </u>	<u> </u>

The actual return on scheme assets was £(198,000) (2021: £702,000).

Amount recognised in the statement of financial activities	2022 £000's	2021 £000's
Current service cost	510	377
Interest income	(80)	(68)
Interest cost	144	134
Administration expenses	6	5
	<u> </u>	<u> </u>
Total operating charge	580	448
	<u> </u>	<u> </u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations	(Continued)		
Changes in the present value of defined benefit obligations		2022	
		£000's	
At 1 September 2021		8,468	
Current service cost		510	
Interest cost		144	
Employee contributions		75	
Actuarial (gain)/loss		(2,927)	
Benefits paid		(120)	
		<u>6,150</u>	
At 31 August 2022		<u>6,150</u>	
Changes in the fair value of the academy trust's share of scheme assets		2022	
		£000's	
At 1 September 2021		4,575	
Interest income		80	
Actuarial loss/(gain)		(278)	
Employer contributions		280	
Employee contributions		75	
Benefits paid		(120)	
Effect of non-routine settlements and administration expenses		(6)	
		<u>4,606</u>	
At 31 August 2022		<u>4,606</u>	
22 Reconciliation of net (expenditure)/income to net cash flow from operating activities		2022	2021
	Notes	£000's	£000's
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(101)	510
Adjusted for:			
Capital grants from DfE and other capital income		(47)	(133)
Net endowment income		4	-
Investment income receivable	7	(15)	(10)
Defined benefit pension costs less contributions payable	21	236	143
Defined benefit pension scheme finance cost	21	64	66
Depreciation of tangible fixed assets		490	470
Profit on disposal of fixed assets		(4)	-
(Increase)/decrease in stocks		(12)	3
Decrease/(increase) in debtors		18	(113)
(Decrease) in creditors		(169)	(41)
Increase in provisions		10	-
		<u>474</u>	<u>895</u>
Net cash provided by operating activities		<u>474</u>	<u>895</u>

NEWTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Analysis of changes in net funds

	1 September 2021 £000's	Cash flows £000's	31 August 2022 £000's
Cash	1,712	123	1,835

24 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000's	2021 £000's
Amounts due within one year	21	1

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

- During the year, purchases to the value of £15,354 (2021: £14,256) were made from the Roman Catholic Archdiocese of Liverpool, a connected party to a Trustee.
- During the year, purchases to the value of £4,980 (2021: £nil) were made from the Church of England Diocese of Liverpool, a connected party to a Trustee.

26 Members' liability

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

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £nil (2021: £14,248) and distributed £ nil (2021: £3,957) from the fund. An amount of £29,956 (2021: £29,956) is included in other creditors relating to undistributed funds that is repayable to ESFA.

