

**Newton Academy Trust  
(A Company Limited by Guarantee)**

Report and Financial Statements

Year Ended

31 August 2015

Company Number: 06477646



# Newton Academy Trust

Report and financial statements  
for the year ended 31 August 2015

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# Newton Academy Trust

## Report and financial statements for the year ended 31 August 2015

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### Members

Fr Michael O'Dowd, Representative of the Roman Catholic Archdiocese of Liverpool Chair  
Mr T Warren, Representative of the Roman Catholic Archdiocese of Liverpool  
Mr. Kenneth Newport, Representative of Liverpool Hope University  
Dr J K Richardson, Representative of the Church of England Diocese of Liverpool

### Governors/Directors

Mr M F Cogley, Chair (Roman Catholic Archdiocese of Liverpool)  
Dr David Dennison, Interim Principal  
Mr Patrick Ferguson, Principal (appointed 1 January 2015)  
Dr Jane Moore, Liverpool Hope University  
Rev Canon Joan Matthews, CofE Diocese of Liverpool Governors (resigned 18 November 2014)  
Mrs Barbara Flitcroft, CofE Diocese of Liverpool Governors (resigned 31 January 2015)  
Mrs Carol Tither, CofE Diocese of Liverpool Governors (resigned 31 August 2015)  
Vicky Roberts, CofE Diocese of Liverpool Governors (appointed 26 February 2015)  
Rev Chris Stafford, CofE Diocese of Liverpool Governors (appointed 4 December 2014)  
Mr Michael Boland, Archdiocese of Liverpool Governors  
Rev Fr John Schofield, Archdiocese of Liverpool Governors  
Cllr Seve Gomez-Aspron, Local Authority Governor (resigned 31 December 2014)  
Mr Tony Gorman, Staff Governor (resigned 31 August 2015)  
Mr Jeff Baddley, Parent Governor  
Mrs Fran McCaul, Parent Governor  
Mr Andrew McGeown, Staff Governor (resigned 31 December 2014)  
Mrs Marie Adams, Staff Governor  
Jane Griffiths, Liverpool Hope University  
Jo Davies, LA Governor (appointed 23 March 2015)  
Dr Sarah Anne Askew

### Responsible Officer

Mr John McMahan, Archdiocese of Liverpool Governors

### Senior Management Team

Mr David Dennison, Interim Principal  
Mr Patrick Ferguson, Principal (started 1 January 2015)  
Mr Alan Southward, Director of Finance and Support Services (resigned 31 May 2015)  
Mrs Linda Emmett, Vice Principal  
Mr Kevin Maddocks, Vice Principal (started 20 April 2015)  
Claire Wallace, Vice Principal (started 20 April 2014)  
(resigned 31 August 2015)  
Mrs Jenifer Sing, Vice / Assistant Principal  
Mrs Marie Adams, Vice / Assistant Principal  
Mrs Sharon Black, Assistant Principal (left 31 December 2014)  
Mrs Wendy Heap, Assistant Principal (left 31 December 2014)  
Mrs Holly Porrino, Assistant Principal (left 31 December 2014)  
Mrs Dawn Cummins, Assistant Principal  
Mrs Sally Jones, Assistant Principal  
Miss Georgina Arnold, Assistant Principal (left 31 May 2015)  
Mrs Deborah Lloyd, Assistant Principal (left 31 December 2014)

# Newton Academy Trust

Report and financial statements  
for the year ended 31 August 2015

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**Company secretary**

Mr A. Southward  
Mrs J. Hobson

(resigned 31 May 2015)  
(appointed 1 June 2015)

**Registered office**

Ashton Road, Newton-Le-Willows, St. Helens, Merseyside, WA12 0AQ

**Company number**

06477646

**Bankers**

Lloyds Bank, 16-18 Bridge Street, Earlstown, Newton-le-Willows, WA12 9BD

**Solicitors**

Eversheds, Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES

**Auditor**

BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015

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The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in St Helens. It has a pupil capacity of 1,600 and had a roll of 1,087 in the school census on 1 October 2015.

### **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 Governors of Newton Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hope Academy.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

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 trustees, two staff trustees, two parent trustees and one local authority trustee. The principal shall be a member of the governing body who shall be treated for all purposes as being ex officio trustee. The charity may also have a trustee appointed by the Secretary of State and two co-opted trustees.

The Academy currently has 20 trustees including the Principal/interim Principal.

Parent trustees are elected by ballot of parents and candidates must be parents at the time of their election. Staff trustees are appointed by staff at the Academy.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

On appointment all governors have undertaken induction and training which was initially provided by Mouchel consultants and were provided with a comprehensive trustee's pack. Trustees have also been provided with copies of policies, procedures, minutes, accounts, budgets and other documents required to fulfil their roles.

# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015 (*continued*)

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### 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 (Trustees), the Trustees 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 five committees in addition to the Full Governing Body:

- Curriculum Committee
- Finance and Staffing Committee
- Community and Ethos Committee
- Monitoring and Strategic Improvement Committee
- Achievement Teaching and Learning Committee

The Senior Management Team comprised of the Interim Principal, three Vice Principals, nine Assistant Principals and the Director of Finance and Support Services.

After a Management Team restructure in January 2015 this team then condensed to an Interim Principal, Principal, three Vice Principals, three Assistant Principals and the Director of Finance and Support Services. 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 and the Director of Finance and Support Services is senior reporting officer for finance. Other senior management positions during the period reported include the Business Manager and Premises Manager who were responsible for support functions on a day to day basis.

### Risk Management

The Trustees confirm that major risks to which the Academy is exposed have been reviewed and have agreed a range of policies and procedures to address risks in these areas, covering teaching, safeguarding, bullying, use of ICT, personnel, health and safety and financial control. 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.

### Connected Organisations including Related Party Relationships

The Academy is sponsored by the Roman Catholic Archdiocese of Liverpool, the Church of England Diocese of Liverpool and the Liverpool Hope University. St. Helens MBC is also a partner.

All three sponsors are organisations with a major role in the provision of education in the region and St Helens MBC also has input via the Local Education Authority.

# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015 (*continued*)

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### 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, but in no way limited to the environment.
- 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.

### Objectives, Strategies and Activities

Hope Academy is a school with a Christian ethos for students of all faiths and none, with a curriculum and ethos based on knowledge, understanding and concern for the Environment, which will be its specialism. The Academy provides a transformative curriculum based on the specialism, using a range of tools including technology and digital media, it 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

### Core Values

#### Respect

- We play by the rules
- We are respectful and polite at all times
- We don't take advantage of others and helping a member of our team is helping ourselves

#### Courage

- We do what we say we'll do and do not make excuses
- We have the strength to do the right thing – even if it's difficult

#### Ambition

- We remain positive so that we have the drive to tackle even the hardest work
- We do what it takes, for as long as it takes
- We ask; 'Have I been better today than yesterday?'

# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015 (*continued*)

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### 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 over 1100 students aged 11-18.

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 and 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 Quizkids competitions
- The annual theatrical production 'The Forbidden Planet' was well attended by the local community in addition to parents and pupils
- The Family Group was set up to provide support in aspects of healthy living, staying safe, economic wellbeing and achievement
- The Academy hosted a meeting of the local historical society at which our state of the art facilities were used to view footage and still photographs of old Newton-le-Willows
- 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

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.

### Strategic Report

#### Context of Academy

Hope Academy is a larger than average 11-18 comprehensive school. The percentage of pupils eligible for free school meals are significantly above the national average and the deprivation indicator at 0.24 is above the national average.

The percentage of absences is below national norms at 4.3% and shows an improving trend. The percentage of fixed term exclusions has reduced significantly. There were no permanent exclusions between 2013 and 2015.

For the 2013-2014 Year 11 cohort prior attainment was 0.3% above national norms. For the 2014-2015 Year 11 cohort prior attainment was 0.3 below national norms. For all other cohorts within the Academy prior attainment is below the national average.

The Academy was put into special measures after a Section 5 Ofsted inspection in February 2014, and subsequently failed to make satisfactory progress against targets in two HMI monitoring visits. An interim Principal took charge of the Academy for two terms in 2014, and from January 2015 a National Leader in Education has been appointed as Principal.

Two Vice-Principals were appointed with effect from April 2015. One of these Vice-Principals chose not to continue in post, and this position was filled by an internal appointment.

There has been a high turnover of both leaders and teaching staff, which in past years has affected the Academy in embedding lasting change. The staffing structure was rationalised in the summer of 2015, and the Academy now has a structure which meets both curriculum and budgetary requirements. This restructuring included radical changes within the science staffing, and the appointment of a new curriculum leader for science.



# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015 (*continued*)

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The HMI monitoring visits in March 2015 and June 2015 judged the Academy to be making reasonable progress towards removal of special measures.

Hope Academy had 1201 learners on roll including 93 in the Sixth Form (Autumn Census 2014). There were 227 pupils eligible for Free School Meals on census day.

### Key Performance Indicators

Financial performance is monitored regularly against budget and established expenditure profiles, which now have increased relevancy as the Academy becomes established and there is more historical data on which to build projections. Staff absence and related costs are analysed to ensure that cover is deployed efficiently where necessary.

### Financial Review

The highest proportion of the Academy's funding is from the DfE via the Education Funding Agency (EFA). These grants are largely driven by pupil numbers, and in line with the Academy's Funding Agreement grants paid during the 2014/15 financial year were based on estimates of pupil numbers.

The Academy also receives grants for capital expenditure from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005) and the Academies Accounts Direction 2014/15, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the year ended 31 August 2015 expenditure committed by the Academy was £9,711,000 which was funded by grants, with a balance of expenditure over income for the period being £2,599,000.

At 31 August 2015 the net book value of fixed assets was £23,114,000 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 resulting from aging as detailed above, it is necessary to make allowance from budgets available and carry the reserve forwards.

As a curriculum review took place in 2014/15, Governors made the decision to use a level of reserves to balance the budget. It is recognised that this decision was a temporary fix in maintaining financial viability and the intention is to ensure a business plan is in place to achieve a balanced budget and restore reserves to an adequate level in the longer term.

The EFA guidance allows reserves totalling 12% of GAG funding in any particular year to be carried forward as a reserve, with 2% to be used to fund on-going revenue costs and the remaining 10% to be used to fund capital expenditure. This limitation may be subject to review dependant on the terms of the Funding Agreement.

# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015 (*continued*)

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The Academy's current reserves (total funds less those held in fixed assets and restricted reserves) is £37,000. Restricted general funds excluding the pension reserve are £122,000, with a pension reserve of (£2,264,000). Restricted fixed asset funds are £23,114,000.

It is crucial that the level of reserves will 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.

### **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 £985,000 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.

### **Principal Risks and Uncertainties**

The main areas of uncertainty for the Academy arise from the current position of being in special measures following on from the Ofsted Section 5 report in February 2014 and interim Section 8 reports the latest of which was in October 2014.

Pupil numbers have fallen below forecast since the Academy opened in September 2011. Since the Ofsted reports and negative press reports resulting from them there has been a downturn in recruitment numbers in comparison to potential and taking into account local demographics.

As funding for the Academy is predominantly based on per pupil based formulae, there is a resulting negative impact on overall funding and it is a priority from a financial perspective that this is taken into account in agreeing expenditure budgets.

From a performance viewpoint it is essential that the Academy is brought out of special measures as quickly as possible, which it is hoped will have a positive impact on recruitment and alleviate some of the financial pressures. Governors are positive that implementation of the Improvement Plan, which has now been judged as fit for purpose, will result in achievement of these objectives.

### **Plans for Future Periods**

Key Strategic Priorities:

- To implement the Improvement Plan and help bring the Academy out of special measures, and from that point to achieve an improved Ofsted assessment
- 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

### **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.

# Newton Academy Trust

## Trustees' Report for the year ended 31 August 2015 (*continued*)

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### 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 2014 to 31 August 2015, the Academy paid 97% per cent of its invoices within 30 days which equalled the previous year. The Academy incurred no interest charges in respect of late payment for this period.

### Performance Indicators

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 YPLA returns:

- Annual Academies Accounts Return
- Financial Plan for the period 2014 to 2017
- Annual Financial Management and Governance Evaluation

### Going Concern

After making appropriate enquiries, the Governing Body considers 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.

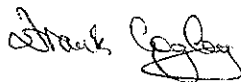
The financial statements have been prepared in accordance with the accounting policies and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005.

### Auditor

Insofar as the Governors 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of Governors on 15/12/15 and signed on the board's behalf by:



**Mr Frank Cogley**  
Chair of Governors

# Newton Academy Trust

## Governance Statement for the year ended 31 August 2015

### 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. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Name of Governor	Extraordinary Full Governing Body Meeting 3/9/14	Extraordinary Full Governing Body Meeting 16/9/14	Full Governing Body Meeting 16/10/14	Full Governing Body Meeting 27/11/14	Full Governing Body Meeting 11/12/14	Full Governing Body Meeting 31/3/15	Full Governing Body Meeting 14/7/15
Mr Frank Cogley	✓	✓	✓	✓	✓	✓	✓
Mr Patrick Ferguson	Appointed as Principal 1 <sup>st</sup> January 2015					✓	✓
Dr David Dennison	✓	✓	✓	✓	✓	Replaced by PF	
Dr Jane Moore	✓	✓	✓	✓	✓	✓	✓
Mrs Barbara Flitcroft	✓	✓	X	✓	✓	Resigned 31/1/15	
Mrs Carol Tither	✓	✓	✓	✓	✓	✓	✓
Ms Fran McCaul	✓	✓	✓	✓	✓	✓	✓
Mr Michael Boland	✓	✓	X	✓	✓	✓	✓
Rev J Matthews	✓	✓	X	Resigned 18/11/2014			
Fr John Schofield	X	✓	X	✓	X	X	X
Mr John McMahon (Co-opted)	✓	✓	✓	✓	✓	✓	✓
Mr Jeff Baddley	✓	✓	✓	✓	X	✓	✓
Mr Tony Gorman	X		✓	✓	X	✓	X
Cllr Seve Gomez-Aspron	✓	✓	✓	✓	✓	Resigned 27/1/15	
Mr Andrew McGeown	X	X	X	✓	X	Resigned 31/12/14	
Dr Sarah Askey	✓	✓	✓	✓	X	X	✓
Miss Jane Griffiths	✓	✓	X	✓	X	✓	X
Mrs Joanne Davies	Appointed as Governor 23/3/15					✓	X
Mrs Vicky Roberts	Appointed as Governor 26/2/15					X	✓
Rev Dr Chris Stafford	Appointed as Governor 4/12/14					X	✓
Mrs Marie Adams	Appointed as Governor 31/3/15					✓	✓

Key: ✓ = Attended X = Not Attended

# Newton Academy Trust

## Governance Statement for the year ended 31 August 2015

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.

Attendance during the year was as follows:

### Governors Finance Committee Attendance 2014/15 Academic Year

Name of Governor	Finance Committee 25/11/14	Finance Committee 27/1/15	Finance Committee 31/7/15
Dr David Dennison	✓		
Mr Patrick Ferguson		✓	✓
Mr John McMahon (Co-opted)	✓	✓	✓
Mr Jeff Baddley	✓	✓	✓
Mrs Barbara Flitcroft	X	✓	
Miss Jane Griffiths	X	X	X
Mr Alan Southward	✓	✓	
Mrs Joanne Davies			X
Mr Fred Cowell			✓

Key: ✓ = Attended X = Not Attended

### Review of Value for Money

I accept that as accounting officer of Hope Academy I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

The main educational objectives of the Academy during the y/e 31/08/15 included:

- To reach and exceed KS3 targets, public examination targets at KS4 and ALPS targets at KS5
- To continue the cycle of monitoring and review of lessons

#### *Performance against objectives*

The percentage of pupils gaining 5 A\*-C grades including English and Mathematics was 43%. 55% of pupils gained 5 A\*-C grades in all subjects.

The academy operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to KS3 to GCSE and from GCSE to A level to assess added value. The Academy continues to implement the "LEAP" mentoring programme.

# Newton Academy Trust

## Governance Statement for the year ended 31 August 2015 (*continued*)

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The Academy's financial objectives for 2014-15 were:

- To achieve financial savings to reduce the predicted financial deficit
- To pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies
- To generate sufficient levels of income to support the asset base of the Academy
- To restructure the staffing of the Academy in line with the financial position

### *Performance against objectives*

Savings in year were substantial enough for the Academy to balance the budget without using any funding from the endowment. Income generation continued to expand, with facilities being hired out to a large extent. The academy's asset base is sound and appropriate to support its educational objectives.

Two staffing restructures took place in year. A review of the management team took place in January 2015 resulting in the loss of 5 members of staff taking redundancy. A further whole staff voluntary redundancy window was opened in the spring term resulting in a further 15 members of staff taking redundancy. This enabled a balanced budget be set for the year 2015/16.

### *The Academy's 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 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 governing body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

### **The 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 from 1 September 2012 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2012 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

# Newton Academy Trust

## Governance Statement for the year ended 31 August 2015 (*continued*)

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### 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed John McMahon, as responsible officer (RO); and have also appointed BDO LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

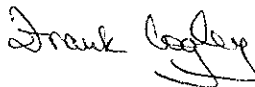
### Review of Effectiveness

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 responsible officer
- The work of the external auditor
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address any identified weakness and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 15/12/15 and signed on its behalf by:



**Mr Frank Cogley**  
Chair of Governors

**Mr Patrick Ferguson**  
Accounting Officer



# Newton Academy Trust

## Statement on Regularity, Propriety and Compliance

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

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

During the year one instance of material irregularity has been identified:

Technically, a breach of regularity may have been deemed to have taken place regarding a severance payment of £49,000. The Academy sought in advance to discharge this function by consulting the Local Authority and the Local Authority's Human Resources services. However, the severance payment in question was made prior to a legal assessment of the case as is required by the Academies Financial Handbook. It was later confirmed with legal advisers that the arrangements did, indeed, satisfy the requisite best value requirements. At all times the Chair of the Governing Body was fully informed of the process and was in full agreement given the particularly sensitive context (i.e. imminent Ofsted etc.), of an academy in Special Measures and consequent need to take all necessary and urgent action.

I confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and the EFA or, if occurring after the date of this statement, will be notified to the board of trustees and the EFA.

**Mr Patrick Ferguson**  
Accounting Officer



Date: 15/12/15



# Newton Academy Trust

## Statement of Trustees' Responsibilities for the year ended 31 August 2015

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

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

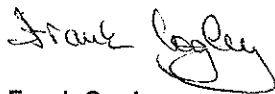
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on...15/12/15.....and signed on its behalf by:



**Mr Frank Cogley**  
Chair of Governors

# Newton Academy Trust

## Independent Auditor's Report to the Members and Trustees of Newton Academy Trust

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We have audited the financial statements of Newton Academy Trust ("the Academy") for the year ended 31 August 2015 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005). Our audit work has been undertaken so that we might state to the Academy's members and trustees 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 Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the statements of trustees' responsibilities, the trustees (who act as governors of Newton Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Newton Academy Trust

## Independent Auditor's Report to the Members and Trustees of Newton Academy Trust (continued)

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### Matters on which we are required to report by exception

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

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

BDO LLP

**Hamid Ghafoor** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Liverpool  
United Kingdom  
Date 15/12/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Newton Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Newton Academy Trust and the Education Funding Agency

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In accordance with the terms of our engagement letter dated 14 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newton Academy Trust during the year to 31 August 2015 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 to the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Newton Academy Trust and to the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newton Academy Trust and to the EFA, 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 Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015 (SORP 2005). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 9 of the Academies Accounts Direction 2014 to 2015 (SORP 2005).

# Newton Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Newton Academy Trust and the Education Funding Agency (*continued*)

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### Conclusion

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

Matter 1: The Academy made a non-statutory severance payment of £49,000 during the year. The Academies Financial Handbook requires that the Academy should consider whether such payment is justified and is value for money, based on a legal assessment of the case. The Academy has not demonstrated that a legal assessment has been made or that the staff severance payment is value for money.

BDO LLP

### **BDO LLP**

Reporting accountant  
Liverpool,  
United Kingdom  
Date 15/12/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Newton Academy Trust

### Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) for the year ended 31 August 2015

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Endowment funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources</b>							
<i>Incoming resources from generated funds:</i>							
Endowment fund	3	-	-	-	35	35	35
Activities for generating funds	4	16	-	-	-	16	14
Investment income	5	-	5	-	-	5	1
<i>Incoming resources from charitable activities:</i>							
Funding for the academy trust's educational operations	6	-	7,029	27	-	7,056	7,802
<b>Total income resources</b>		16	7,034	27	35	7,112	7,852
<b>Resources expended</b>							
<i>Cost of generating funds:</i>							
Cost of generating voluntary income	7	-	-	-	-	-	4
<i>Charitable activities:</i>							
Academy trust educational operations	8	8	7,603	2,085	-	9,696	9,878
Governance costs	9	-	15	-	-	15	15
<b>Total resources expended</b>	7	8	7,618	2,085	-	9,711	9,897
<b>Net incoming/(outgoing) resources before transfers</b>		8	(584)	(2,058)	35	(2,599)	(2,045)
Gross transfers between funds	17	-	2	(2)	-	-	-
<b>Net income/(expenditure) for the year</b>		8	(582)	(2,060)	35	(2,599)	(2,045)
<b>Other recognised gains and losses</b>							
Actuarial (losses) gains on defined benefit pension schemes	28	-	(145)	-	-	(145)	(203)
Realised		-	-	-	(3)	(3)	-
Unrealised		-	-	-	(28)	(28)	-
<b>Net movement in funds</b>		8	(727)	(2,060)	4	(2,775)	(2,248)

## Newton Academy Trust

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) for the year ended 31 August 2015 (*continued*)

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Endowment funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 September 2014	17	29	(1,415)	25,174	950	<b>24,738</b>	26,986
<b>Total funds carried forward at 31 August 2015</b>		<b>37</b>	<b>(2,142)</b>	<b>23,114</b>	<b>954</b>	<b>21,963</b>	<b>24,738</b>

All of the academy's activities derive from continuing operations during the above two financial periods.

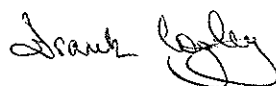
# Newton Academy Trust

## Balance sheet at 31 August 2015

*Company number: 06477646*

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Fixed assets</b>					
Tangible assets	13		23,114		25,174
Fixed asset investments	14		919		
			24,033		
<b>Current assets</b>					
Debtors	15	285		149	
Cash at bank and in hand		595		2,091	
		880		2,240	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(686)		(598)	
			194		1,642
<b>Net current assets</b>					1,642
<b>Total assets less current liabilities</b>			24,227		26,816
Pension scheme liability	28		(2,264)		(2,078)
<b>Net assets including pension liability</b>			21,963		24,738
<b>Funds of the academy trust</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	23,114		25,174	
General fund	17	122		663	
Endowment fund	17	954		950	
Pension reserve	17	(2,264)		(2,078)	
			21,926		24,709
<b>Unrestricted income funds</b>					
General fund	17	37		29	
<b>Total unrestricted funds</b>			37		29
<b>Total funds</b>			21,963		24,738

The financial statements on pages 20 to 23 were approved by the trustees, and authorised for issue on 15th December 2015 and are signed on their behalf by:



**Mr Frank Cogley**  
Chair of Trustees



# Newton Academy Trust

## Cash flow statement for the year ended 31 August 2015

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	Note	2015 £'000	2014 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	21	(588)	214
Returns on investments and servicing of finance	22	1	1
Capital expenditure	23	(944)	(25)
Financing – additions to endowment funds		35	35
		<hr/>	<hr/>
<b>(Decrease)/increase in cash in the year</b>	24	<b>(1,496)</b>	225
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		2,091	1,866
		<hr/>	<hr/>
<b>Net funds at 31 August 2015</b>		<b>595</b>	2,091
		<hr/> <hr/>	<hr/> <hr/>

# Newton Academy Trust

## Notes forming part of the financial statements for the year ended 31 August 2015

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### 1 Accounting policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Academy has budgeted to achieve a surplus in the financial year 2015/16, having undergone staff restructuring and having made adjustments to expenditure plans in the current year. There are also substantial reserves within the Endowment Fund.

In the Academy's most recent Ofsted inspection (November 2015), a grade 2 was achieved, classifying the Academy as 'Good'. The governors and leadership team feel this greatly confirms the going concern of the Academy and its successful future. As such, the trustees believe that it is appropriate to prepare the accounts on the going concern basis.

#### Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### ▪ Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

##### ▪ Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

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## 1 Accounting policies (*continued*)

### Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

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

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

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

▪ Plant and machinery	15% straight line
▪ Leasehold land and buildings	2% straight line
▪ Furniture and equipment	20% straight line
▪ Computer equipment	20% straight line
▪ Motor vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

### Leased Assets

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

# Newton Academy Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

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### 1 Accounting policies (*continued*)

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 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.

#### Investments

Investments are stated in the balance sheet at market value. Changes in market value are treated as unrealised gains and losses in the Statement of Financial Activities, and shown separately from realised gains and losses on the sale of investments.

#### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quin-quennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 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.

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

Endowment funds are shown as a separate restricted fund

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## Cash and Liquid Resources

Cash deposits available within three months are treated as liquid resources. Cash accessible on demand is included within cash and bank.

### 2 General Annual Grant

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An 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 2015.

### 3 Voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Sponsorship donation	-	35	35	35
	-	35	35	35

### 4 Activities for Generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	16	-	16	14
	16	-	16	14

### 5 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	-	5	5	1
	-	5	5	1

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 6 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 2)	-	6,405	<b>6,405</b>	6,931
Start up grants	-	4	<b>4</b>	43
Capital grants	-	27	<b>27</b>	27
Other DfE/EFA grants	-	410	<b>410</b>	435
	-	6,846	<b>6,846</b>	7,436
<b>Other Government grants</b>				
Local authority grants	-	59	<b>59</b>	91
	-	59	<b>59</b>	91
<b>Other funding</b>				
School fund	-	99	<b>99</b>	148
Other funding	-	52	<b>52</b>	127
	-	151	<b>151</b>	275
	-	7,056	<b>7,056</b>	7,802

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 7 Resources expended

	Non Pay Expenditure			Total 2015 £'000	Total 2014 £'000
	Staff costs £'000	Premises £'000	Other £'000		
Costs of activities for generating funds	-	-	-	-	4
Academy's educational operations:					
Direct costs	4,295	2,011	763	7,069	7,273
Allocated support costs	1,424	526	677	2,627	2,605
	5,719	2,537	1,440	9,696	9,882
Governance costs including allocated support costs	-	-	15	15	15
	5,719	2,537	1,455	9,711	9,897
Incoming/outgoing resources for the year include:				2015 £'000	2014 £'000
Operating leases				2	2
Fees payable to auditor					
- audit				11	11
- other services				4	3
Loss on disposal of fixed assets				-	38

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 7 Resources expended (*continued*)

	Total £'000	Individual items above £5,000 Amount £'000	Reason
Ex-gratia/compensation payments	179	49	Settlement agreement
		28	Settlement agreement
		18	Settlement agreement
		17	Settlement agreement
		17	Enhanced redundancy
		12	Enhanced redundancy
		10	Enhanced redundancy
		9	Enhanced redundancy
		7	Enhanced redundancy
		7	Enhanced redundancy
		5	Enhanced redundancy

## 8 Charitable activities

	Total 2015 £'000	Total 2014 £'000
<b>Direct costs – educational operations</b>		
Teaching and educational support staff costs	4,295	4,481
Depreciation	2,011	2,007
Technology costs	272	293
Educational supplies	27	32
Examination fees	94	115
Staff development	74	61
Educational consultancy	78	39
Other direct costs	218	245
	7,069	7,273



## Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

### 8 Charitable activities (*continued*)

	Total 2015 £'000	Total 2014 £'000
<b>Support costs – educational operations</b>		
Support staff costs	1,424	1,315
Depreciation	74	80
Recruitment and support	10	37
Maintenance of premises and equipment	55	96
Cleaning	136	134
Rent and rates	113	92
Energy costs	111	113
Insurance	37	4
Security and transport	8	11
Catering	6	6
Travel and subsistence	8	2
Other support costs	645	715
	2,627	2,605
<b>Total direct and support costs</b>	9,696	9,878

### 9 Governance costs

	Total 2015 £'000	Total 2014 £'000
Auditors' remuneration		
Audit of financial statements	11	11
Other audit costs	4	3
Trustees' reimburses expenses	-	1
	15	15
	15	15

# Newton Academy Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 10 Staff

	2015 £'000	2014 £'000
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	4,232	4,553
Social security costs	303	341
Pension costs	594	622
	5,129	5,516
Supply staff costs	268	159
Staff restructuring costs	322	122
	5,719	5,797

### b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £202,246 (2014: £104,000). Individually, these were for £49,000, £28,000, £18,000, £17,203, £17,000, £11,509, £9,582, £9,151, £7,040, £6,868, £5,372, £4,693, £4,224, £3,965, £3,733, £3,309, £2,026 and £1,572.

### c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No	2014 No
<b>Charitable activities</b>		
Teachers	82	83
Administrations and support	68	69
Management	7	11
	157	163

### d. Staff numbers

The number of employees whose emoluments exceeded £60,000 was:

	2015 No	2014 No
£60,001 - £70,000	3	2
£80,001 - £90,000	1	1
	4	3

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £15,119 (2014: £21,525). The other employee participated in the Local Government Pension Scheme; employer's pension contributions amounted to £6,704 (2014: £8,300).

# Newton Academy Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 11 Related party Transactions – trustees remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

D Dennison (principal and trustee):	£74,455 (2014: £33,220)	Paid to a third party
P Ferguson (principle and trustee):	£62,259 (2014: £Nil)	
A Gorman (staff trustee):	£21,363 (2014: £20,903)	
A McGeown (staff trustee):	£14,988 (2014: £44,971)	
M Adams (staff trustee)	£30,912 (2014: £Nil)	

During the year ended 31 August 2015, travel and subsistence expenses were reimbursed to F Cogley to the amount of £814 (2014: £Nil).

Other related party transactions involving the trustees are set out in note 29.

### 12 Trustees' and Officers' Insurance

During the year to 31 August 2015, the academy trust was a member of the Department for Education's (DfE's) Risk Protection Arrangement (RPA). This is a voluntary arrangement for academies and free schools effective from 1 September 2014.

The RPA Administrator's limit of liability in respect of each academy shall be £10,000,000 each and every loss and shall be the maximum aggregate liability of the RPA Administrator from all losses from an academy whose academy trust is a member during any one membership year.

The specific cost of trustees' and officers' liability insurance cannot be differentiated from the total cost of the risk arrangement.

In the prior year, the academy purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provided cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,018.

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 13 Tangible fixed assets

	Plant and machinery £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2014	7,360	21,225	1,816	947	6	31,354
Additions	-	-	15	10	-	25
Disposals	-	-	-	-	-	-
<b>At 31 August 2015</b>	<b>7,360</b>	<b>21,225</b>	<b>1,831</b>	<b>957</b>	<b>6</b>	<b>31,379</b>
<b>Depreciation</b>						
At 1 September 2014	3,311	1,267	1,076	522	4	6,180
Charged in year	1,104	425	365	189	2	2,085
Disposals	-	-	-	-	-	-
<b>At 31 August 2015</b>	<b>4,415</b>	<b>1,692</b>	<b>1,441</b>	<b>711</b>	<b>6</b>	<b>8,265</b>
<b>Net book values</b>						
At 31 August 2015	<b>2,945</b>	<b>19,533</b>	<b>390</b>	<b>246</b>	<b>-</b>	<b>23,114</b>
At 31 August 2014	4,049	19,958	740	425	2	25,174

## 14 Fixed asset investments

	Government securities £'000	Investment & unit trusts £'000	UK equities £'000	Overseas equities £'000	Other £'000	Cash £'000	Total £'000
<b>Listed investments at market value</b>							
At 1 September 2014	-	-	-	-	-	-	-
Additions at cost	20	113	381	268	81	83	946
Net gain/(loss) on revaluation	-	(2)	(6)	(17)	(2)	-	(27)
<b>Market value at 31 August 2015</b>	<b>20</b>	<b>111</b>	<b>375</b>	<b>251</b>	<b>79</b>	<b>83</b>	<b>919</b>

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 15 Debtors

	2015 £'000	2014 £'000
Other debtors	182	39
VAT recoverable	64	71
Prepayments and accrued income	39	39
	<hr/>	<hr/>
	285	149
	<hr/> <hr/>	<hr/> <hr/>

## 16 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
EFA creditor: abatement of GAG	486	253
Other creditors	76	115
Accruals and deferred income	124	230
	<hr/>	<hr/>
	686	598
	<hr/> <hr/>	<hr/> <hr/>

	2015 £'000
<b>Deferred income</b>	
Deferred income at 1 September 2014	40
Resources deferred in the year	-
Amounts released from previous years	(40)
	<hr/>
Deferred income at 31 August 2015	-
	<hr/> <hr/>

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 17 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	668	6,405	(6,926)	(34)	113
Start Up Grant	-	4	(4)	-	-
Other DfE/EFA grants	-	410	(410)	-	-
Other income	-	116	(116)	-	-
School fund	(5)	99	(121)	36	9
Pension reserve	(2,078)	-	(41)	(145)	(2,264)
	(1,415)	7,034	(7,618)	(143)	(2,142)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	55	27	(29)	-	53
Capital expenditure from GAG	145	-	(12)	(2)	131
Transfer from LA on conversion	24,974	-	(2,044)	-	22,930
	25,174	27	(2,085)	(2)	23,114
<b>Endowment funds</b>					
Endowment funds	950	35	-	(31)	954
	950	35	-	(31)	954
<b>Total restricted funds</b>	24,709	7,096	(9,703)	(176)	21,926
<b>Unrestricted funds</b>					
Unrestricted funds	29	16	(8)	-	37
<b>Total unrestricted funds</b>	29	16	(8)	-	37
<b>Total funds</b>	24,738	7,112	(9,711)	(176)	21,963

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 18 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	-	23,114	-	23,114
Fixed	-	-	-	919	919
Current assets	37	808	-	35	880
Current liabilities	-	(686)	-	-	(686)
Pension scheme liability	-	(2,264)	-	-	(2,264)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total net assets</b>	37	(2,142)	23,114	954	21,963
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 19 Capital commitments

There were no material capital commitments at the period end.

## 20 Financial commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
<b>Other</b>		
Expiring with two and five years inclusive	2	2
	<hr/>	<hr/>
	2	2
	<hr/> <hr/>	<hr/> <hr/>

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 21 Reconciliation of net income to net cash inflow from operating activities

	2015	2014
	£'000	£'000
Net income	(2,599)	(2,045)
Depreciation (note 13)	2,085	2,087
Capital grants from DfE and other capital income	(27)	(27)
Interest receivable (note 5)	(5)	(1)
Additions to endowment funds	(35)	(35)
FRS 17 pension cost less contribution payable (note 25)	(14)	(13)
FRS 17 pension finance income (note 25)	55	60
(increase)/decrease in debtors	(136)	270
Increase/(decrease) in creditors	88	(120)
Loss on sale of tangible fixed assets	-	38
	(588)	214

## 22 Returns on investments and servicing of finance

	2015	2014
	£'000	£'000
Interest received	5	1
Charges	(4)	
	1	1

## 23 Capital expenditure and financial investment

	2015	2014
	£'000	£'000
Purchase of tangible fixed assets	(25)	(61)
Capital grants from DfE/EFA	27	27
Receipts from sale of tangible fixed assets	-	9
Acquisition of investments	(946)	-
	(944)	(25)



# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

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## 24 Analysis of changes in net debt

	At 1 September 2014 £'000	Cash flow £'000	At 31 August 2015 £'000
Cash in hand and at bank	2,091	(1,496)	595
	<hr/>	<hr/>	<hr/>
	2,091	(1,496)	595
	<hr/>	<hr/>	<hr/>

## 25 Member's liability

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

# Newton Academy Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 26 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

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

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

# Newton Academy Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 26 Pension and similar obligations (continued)

The pension costs paid to TPS in the period amounted to £679k (2014 - £710k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £283k, of which employer's contributions totalled £233k and employees' contributions totalled £60k. The agreed contribution rates for future years are 5.5-12.5% per cent. The agreed contribution rate for employers for future years is in the process of being agreed.

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.

Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.

#### Principal actuarial assumptions

	At 31 August 2015	At 31 August 2014
	%	%
Rate of increase in salaries	3.80	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	4.00	4.00
Inflation assumption (CPI)	2.30	2.20
Commutation of pensions to lump sums	50.00	50.00

The FRC Reporting Statement 'Retirement Benefits' recommends that disclosure should include a sensitivity analysis for the principal assumptions used to measure scheme liabilities, showing how the measurement of scheme liabilities would have been affected by changes in the relevant assumption that were reasonably possible at the balance sheet date.

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.4 years	22.3 years
Females	25.3 years	25.2 years
<i>Retiring in 20 years</i>		
Males	24.8 years	24.7 years
Females	28.1 years	28.0 years

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 26 Pension and similar obligations (*continued*)

### Principal actuarial assumptions (*continued*)

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000
Equities	6.5	1,256	7.0	1,082
Government bonds	2.5	289	2.9	246
Other bonds	3.6	109	3.8	41
Property	6.1	180	6.2	140
Cash/liquidity	0.5	61	0.5	79
Other	6.5	197	7.0	208
<b>Total market value of assets</b>		<b>2,092</b>		<b>1,796</b>
Present value of scheme liabilities				
Funded		<b>(4,356)</b>		<b>(3,874)</b>
<b>Surplus/(deficit) in the scheme</b>		<b>(2,264)</b>		<b>(2,078)</b>

A narrative description is required of the basis used to determine the overall expected rate of return on the major categories of scheme assets.

The actual return on scheme assets was £53,000 (2014: £212,000).

<b>Amounts recognised in the statement of financial activities</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Current service cost (net of employee contributions)	(209)	(188)
Past service cost	-	(32)
	(209)	(220)
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	105	103
Interest on pension liabilities	(160)	(163)
	(264)	(60)
<b>Pension finance income/(costs)</b>	<b>(264)</b>	<b>(60)</b>

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 26 Pension and similar obligations (*continued*)

### Local Government Pension Scheme (*continued*)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £114,000 loss (2014: £73,000 loss).

<b>Movements in the present value of defined benefit obligations were as follows:</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>At 1 September</b>	<b>3,874</b>	3,502
Current service cost	209	188
Interest cost	160	163
Employee contributions	60	58
Actuarial (gain)/loss	93	62
Benefits paid	(40)	(131)
Past service cost	-	32
	<hr/>	<hr/>
<b>At 31 August</b>	<b>4,356</b>	3,874
	<hr/> <hr/>	<hr/> <hr/>
<b>Movements in the fair value of academy's share assets:</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>At 1 September</b>	<b>1,796</b>	1,674
Expected return on assets	105	103
Actuarial (gain)/loss	(52)	(141)
Employer contributions	223	233
Employee contributions	60	58
Benefits paid	(40)	(131)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>2,092</b>	1,796
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £221,000.

# Newton Academy Trust

Notes forming part of the financial statements  
for the year ended 31 August 2015 *(continued)*

## 26 Pension and similar obligations *(continued)*

### Local Government Pension Scheme *(continued)*

The four-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
<b>Presented value of defined benefit obligations</b>	(4,356)	(3,874)	(3,502)	(3,115)
<b>Fair value of share of scheme assets</b>	2,092	1,796	1,674	1,234
<b>Deficit in the scheme</b>	(2,264)	(2,078)	(1,828)	(1,881)
<b>Experience adjustments on share of scheme assets</b>				
Amount £'000	-	(141)	103	15
<b>Experience adjustments on scheme liabilities</b>				
Amount £'000	-	322	-	(270)

## 27 Related party transactions

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

The following related party transaction took place in the period of account:

- Liverpool Hope University, a sponsor of the Academy, made an addition to the endowment fund of £35,000 (2014: £35,000).