

Company Registration No. 06477646 (England and Wales)

**NEWTON ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# NEWTON ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

- Representative of the Roman Catholic Archdiocese of Liverpool Mr T Warren (Resigned 30 September 2020)
- Representative of Liverpool Hope University Reverend Canon Professor Kenneth Newport
- Representative of the Roman Catholic Archdiocese of Liverpool Fr Michael Fitzsimons
- Representative of the Church of England Diocese of Liverpool Mr Stuart Harrison

### Trustees

- Mr Patrick Ferguson (Principal) (Resigned 31 December 2020)
- Mr John McMahon (Archdiocese of Liverpool Governors (Responsible Officer)) (\*) (Resigned 15 October 2020)
- Ms Vicky Roberts (CofE Diocese of Liverpool Governors)
- Rev Chris Stafford (CofE Diocese of Liverpool Governors) (\*)
- Mr Michael Boland (Archdiocese of Liverpool Governors) (\*)
- Mrs Fran McCaul (Parent Governor)
- Mrs Marie Adams (Principal) (Appointed Principal 01 January 2021)
- Ms Jane Griffiths (CofE Diocese of Liverpool) (\*)
- Mrs Lesley White (Staff Governor)
- Mrs Bridget Leek (Staff Governor)
- Mrs Barbara Naylor (CofE Diocese of Liverpool Governors)
- Mrs Sue Cronin (Liverpool Hope University)
- Mrs Jennie Hughes (Appointed 8 December 2020)
- Ms Katie Fleetwood-Redmond (Archdiocese of Liverpool Governors) (Appointed 1 September 2021)
- Mr Chris Leylend (Liverpool Hope University) (\*) (Appointed 29 March 2021)
- Ms Lisa Cunliffe (Parent Governor) (Appointed 16 June 2021)
- Mrs Anne Robinson (LA Governor) (Appointed 16 June 2021)

(\*) Members of the Finance & Resource Committee

### Senior management team

- Principal Mrs Marie Adams (Appointed 01 January 2021)
- Principal Mr Patrick Ferguson (Resigned 31 December 2020)
- Head of School Mrs Marie Adams (Resigned 31 December 2020)
- Vice Principal Mr John Shephard (Resigned 31 December 2020)
- Vice Principal Mr Joe Ellis (Appointed 01 May 2021)
- Chief Financial Officer Mr Stephen Hughes

### Company secretary

Mrs Donna Worthington

### Company registration number

06477646 (England and Wales)

### Principal address

Hope Academy  
Ashton Road  
Newton Le Willows  
St Helens, Merseyside  
WA12 0AQ

# NEWTON ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Registered office</b>	Hope Academy Ashton Road Newton Le Willows St Helens, Merseyside WA12 0AQ
<b>Independent auditor</b>	RSM UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
<b>Bankers</b>	Lloyds Bank 13/15 Hardshaw Street St Helens WA10 1QZ
<b>Solicitors</b>	Brabners Horton House Exchange Flags Liverpool L2 3YL

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, a directors' report, and a strategic report under company law.

The trust closed the sixth form 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 1,342 in the school census in October 2021.

### 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 trustees of Newton Academy Trust 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 trustees 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 governors. The sponsor governors have decided to also appoint two staff governors and one local authority governor. The principal shall be a member of the governing body who shall be treated for all purposes as being ex officio governor. The charity may also have a governor appointed by the Secretary of State and two co-opted governors.

The Academy currently has 15 trustees including the Principal, 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.

The terms Trustee and Governor are used interchangeably within these financial statements.

#### 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.
- Existing Trustees arrange appropriate ongoing training, in the current year training has included safeguarding training for the Trustee responsible for safeguarding and the Chair attended sessions on VFMI and benchmarking.

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT (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 (Members), the Trustees (meeting as the Governing Body), and the Senior Management Team 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
- Monitoring and Strategic Improvement

In the summer term of 2021 the Trustees decided to add a fourth committee for Pay.

The Senior Management Team are comprised of the Principal and one Vice Principal. 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 Chief Financial Officer 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
1%-50%	-
51%-99%	-
100%	-

#### Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	5,517,000
Percentage of the total pay bill spent on facility time	0%

#### 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)

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### **Related parties, connected charities and co-operation with other 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.

The sponsors of the Trust are responsible:

- for appointing the members and trustees of the Trust.
- working with the academy trust, governing body and leadership team to monitor the academy's performance and taking action where necessary.

Please refer to note 26 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

- 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 its 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 (CONTINUED)

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### **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.

### **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 1,342 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.
- Hosts two local gymnastics clubs each week which are attended by over 500 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)

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### STRATEGIC REPORT

#### Context of academy

Hope Academy is a larger than average 11-16 comprehensive school, the Academy sixth form provision was closed in September 2021 due to the very small number of students both in the current sixth form and who were expressing an interest in attending the sixth form in the future. The small numbers in the sixth form has meant that the closure has had little or no effect both financially and operationally. 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 East has a deprivation index of 59% which is 4 deciles higher.

The Academy is an average sized school with 1,342 students on roll. There is an equal number of both boys (51%) and girls (49%). On indicators of deprivation, 31.6% of students are from disadvantaged backgrounds with 23% of these students also on the SEND register. In addition, there are 17.9% of students who require SEND support across the academy (KS3-18.4%, KS4 -16.9%). Students with EHCPs currently stand at 22, compared to 8 in 2016, there are also 18 pupils 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 227 in year 11. Student numbers have increased year on year over the past 6 years from 1,053 to 1,342 and we have been an oversubscribed academy for the last 3 years.

In the April 2018 Church 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 Academy now leads a teacher training alliance within the St. Helens Local Authority, 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)

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### 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 of £6,493,000 (2020: £5,874,000) is covered by this report, and both the income and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Academy has also received grants for capital expenditure from the ESFA of £133,000 (2020: £24,000). In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019) and the Academies Accounts Direction 2020/21, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the year ended 31 August 2021 expenditure committed by the Academy was £7,526,000 (2020: £7,233,000) which was funded by grants, with a balance of income over expenditure for the period being £570,000 (2020: expenditure over income £190,000).

At 31 August 2021 the net book value of tangible fixed assets was £17,210,000 (2020: £17,510,000) 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.

The pension movement does not have an immediate cash flow impact, but will result in increased contributions as a result of the scheme deficit over a period of years.

### Going concern

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 2019. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

The ESFA issued Hope Academy with a Financial Notice to Improve in April 2021 for continued concerns about governance and the oversight of financial management by the governing body and previous Accounting Officer. The notice contained conditions that required actions to improve the financial oversight that Governors have. The conditions of the FNTI and the Academy's detailed actions in response can be found in the Academy Action Plan on the school website: <http://www.hopeacademy.org.uk/>

<https://www.gov.uk/government/publications/financial-notice-to-improve-newton-academy-trust>

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Going concern

#### **COVID-19**

The impact of COVID-19 has been evolving since early 2020, the effect of the virus on organisations varies and as such it is difficult to determine with any degree of certainty the long term effects both operationally and financially on the Academy. Operationally, trustees consider COVID to have impacted GCSE outcomes and day to day school life particularly:

- GCSE outcomes have been determined over the last two years using Centre Assessed grades in 2019-2020 and Teacher Assessed grades in 2020-2021. Our overall GCSE outcomes for 2018-2019 demonstrated stability and as such we are confident that no students were adversely affected by using CAGs or TAGs.
- COVID safety measures mean the Academy has had to adjust much of how things are done on a day to day basis and have had to focus on new risks that haven't existed before. Students when in school are still receiving the education they deserve and are now getting used to the new way, being sent home and having to be educated from beyond the classroom does negatively however impact on most students.

Financially, trustees are aware that the commitment by Government to continue to fund schools fully throughout the COVID period has been positive and significantly reduces financial risk. Trustees have considered how COVID may have impacted the Academy as a going concern, the Academy's ability to raise unrestricted funds, any potential costs related to the new way of operating and the impact on its investments. Trustees concluded;

- COVID 19 is not expected to have a significant impact on the Academy as a going concern because 98% of its income relates to confirmed Government grant funding and increased costs, i.e. hygiene, health and safety, have been assumed in the budgeting process and it is expected that any unforeseen costs will be offset by similar cost savings.
- Trustees expect COVID 19 to have a negative impact on its ability to raise unrestricted funds but are content that these losses will not have a significant impact on the current positive financial position of the Academy
- Trustees have considered the impact on finances that the new way of operating will have, particularly the potential for more supply cover, hygiene consumables and educational consumables and are content that the most recent budget either provides for these increased costs or includes a surplus financial resource that will not significantly negatively impact on its current strong financial position.
- Its endowment managers (Rathbones) has in place a carefully designed business continuity plan that includes continuously monitoring how the pandemic is impacting the global economy and financial markets, and adapting portfolios to the rapidly evolving situation and as the investments objective is a balanced one, Trustees are content that Rathbones will mitigate risk and protect investments accordingly.

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Reserves policy

The policy of the Academy is to carry forward a prudent level of reserves designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE. The current reserves policy is a maximum of 33% of revenue income; currently the academy is below this threshold and are working towards building the reserves up.

The Trustees have decided that any reserves generated will be prioritized to

- repay any loaned sums from the endowment reserve.
- funding of capital reserves for any approved capital project/replacement.
- transfer of unspent revenue reserves from previous years to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

The Academy does not believe it exceeds any level of reserves has permitted by the DfE or that it its reserves policy has been anyway affected by the COVID pandemic.

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 being prioritized.

The Academy's current free reserves (total funds less those held in fixed assets and restricted reserves) is £492,000 (2020: £434,000). Restricted general funds excluding the pension reserve are £947,000 (2020: (£87,000)), with a pension reserve of (£3,893,000) (2020: (£3,857,000)). Restricted fixed asset funds are £17,211,000 (2020: £17,510,000). Included within restricted funds is an endowment fund of £644,000 (2020: £484,000). Total reserves at the year end are £14,658,000 (2020: £14,492,000).

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.

### 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 £644,000 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 amounts 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 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.

### 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.

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### ACHIEVEMENTS AND PERFORMANCE

The Academy's curriculum vision is: "to create a personalised curriculum that promotes a love of learning; provides breadth of knowledge and skills, that 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 – 2021 Year 11 Outcomes

	2017/2018		2018/2019		2019/2020			
	Y11 2018 Actual		Y11 2019 Actual		Y11 CAG Uploaded		Y11 Actual Results Awarded	
	#	%	#	%	#	%	#	%
Entry Number	193		173		179		179	
Pupil Premium	52		66		52		52	
EAL	7		7		2		2	
Progress 8 Score	-0.13		-0.37		-0.07		0.09	
Attainment 8	42.72		41.49		45.95		47.4	
English Progress 8	-0.13		-0.21		-0.47		-0.12	
Maths Progress 8	-0.35		-0.65		-0.21		-0.21	
EBac Progress 8	-0.22		-0.48		-0.09		-0.02	
EBac Entered	86	44.56	89	51.45	85	47.49	94	52.51
EBas APS	3.68		3.54		3.92		4.07	
Achieving the Baccalaureate (Standard)	46	23.83	26	15.03	48	26.82	51	28.49
Achieving the Baccalaureate (Strong)	27	13.99	18	10.4	23	12.85	32	17.88
Other Progress 8	0.11		-0.17		0.32		0.52	
Basics 4+	109	56.48	91	52.6	106	59.22	106	59.22
Basics 5+	64	33.16	49	28.32	75	41.9	76	42.46
Science Value Added	-0.41		-0.54		-0.18		-0.13	
Humanities Value Added	0.13		-0.18		0.07		0.14	
Languages Value Added	-0.48		-1.44		-0.96		-0.68	

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### 2018 – 2021 Year 11 Outcomes (continued)

	2020/2021					
	Y11 Mocks		Y11 TAG Predicted		Y11 Results Awarded	
	#	%	#	%	#	%
Entry Number	181		181		181	
Pupil Premium	71		71		71	
EAL	16		16		16	
Progress 8 Score	-0.66		0.11		0.09	
Attainment 8	37.02		44.67		44.60	
English Progress 8	-0.47		-0.02		-0.09	
Maths Progress 8	-1.14		-0.36		-0.13	
EBac Progress 8	-0.95		0.05		0.05	
EBac Entered	36	19.89	34	18.78	37	20.44
EBas APS	2.85		3.62		3.66	
Achieving the Baccalaureate (Standard)	11	6.08	22	12.15	20	11.05
Achieving the Baccalaureate (Strong)	7	3.87	10	5.52	12	6.63
Other Progress 8	-0.19		0.56		0.40	
Basics 4+	63	34.81	97	53.59	101	55.80
Basics 5+	34	18.78	54	29.83	66	36.46
Science Value Added	-1.42		-0.27		-0.31	
Humanities Value Added	-0.22		0.35		0.45	
Languages Value Added	-1.14		0.75		0.35	

#### 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.

Integrated financial planning is a key focus of the DfE and ESFA with regards to financial performance of Academies, and as such the Academy uses published ideal metrics as targets for measuring performance.

#### 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.

# NEWTON ACADEMY TRUST

## TRUSTEES' REPORT (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 2020 to 31 August 2021, the Academy paid 97% of invoices within 30 days, 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 ESFA returns:

- a. the annual Academies Accounts Return
- b. the Financial Plan for the period 2021 to 2024
- c. the annual Financial Management and Governance Evaluation

### 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.

Pupil numbers have fallen below forecast since the Academy opened in September 2011. Since the improved Ofsted reports and positive press there has been a significant upturn in recruitment of students on previous years.

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 grow student numbers to the maximum allowed.

### Fundraising

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

### AUDITOR

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 27.12.21 and signed on its behalf by:



Mr Michael Boland  
Archdiocese of Liverpool Governors) (\*)

# NEWTON ACADEMY TRUST

## GOVERNANCE STATEMENT

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### 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.

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 four times during the year. The Board believes it has highly experienced members who are able to operate effective oversight by having fewer meetings with more extensive Agenda's however after receiving the Financial Notice to Improve, Governors made the decision towards the end of the financial year to move to six meetings per year. The Board members are aware that on occasion issues might arise that require the need for extra-ordinary meetings to be called.

Attendance during the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Patrick Ferguson (Principal) (Resigned 31 December 2020)	2	2
Mr John McMahon (Archdiocese of Liverpool Governors (Responsible Officer)) (*) (Resigned 15 October 2020)	0	0
Ms Vicky Roberts (CofE Diocese of Liverpool Governors)	3	4
Rev Chris Stafford (CofE Diocese of Liverpool Governors) (*)	2	4
Mr Michael Boland (Archdiocese of Liverpool Governors) (*)	4	4
Mrs Fran McCaul (Parent Governor)	4	4
Mrs Marie Adams (Principal) (Appointed Principal 01 January 2021)	4	4
Ms Jane Griffiths (CofE Diocese of Liverpool) (*)	3	4
Mrs Lesley White (Staff Governor)	4	4
Mrs Bridget Leek (Staff Governor)	4	4
Mrs Barbara Naylor (CofE Diocese of Liverpool Governors)	4	4
Mrs Sue Cronin (Liverpool Hope University)	4	4
Mrs Jennie Hughes (Appointed 8 December 2020)	3	3
Ms Katie Fleetwood-Redmond (Archdiocese of Liverpool Governors) (Appointed 1 September 2021)	0	0
Mr Chris Leylend (Liverpool Hope University) (*) (Appointed 29 March 2021)	2	2
Ms Lisa Cunliffe (Parent Governor) (Appointed 16 June 2021)	1	1
Mrs Anne Robinson (LA Governor) (Appointed 16 June 2021)	1	1

# NEWTON ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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The following individuals are not members of the board, but attended the meetings in the year.

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr Patrick Ferguson (Principal) (Resigned 31 December 2020)	2	2
Mrs Marie Adams (Principal) (Appointed Principal 1 January 2021)	4	4

### **Governance reviews**

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

There have been no major changes to the Governance structure of the Academy in the year, the new chair was appointed in 2019-2020. The Trustees have overall responsibility and ultimate decision-making authority for all the work of the Trust, including the establishing and running of the Academy. This is both exercised through strategic planning and the setting of policy and is managed through business planning, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes. The Trustees have the power to direct change where required.

The Trustees believe they are a strong governing board as highlighted in the detailed skills matrix exercise completed annually. However as a result of receiving FNTI The Trustees commissioned an external review of Governance arrangements from an experienced Leader of Governance, an improvement plan has been drawn up and the work against the improvement plan is now in progress. The external review in Governance prioritized 15 areas for improvement, none of which are considered to be unachievable within the set timelines or to have a negative impact on the Academy whilst the plan is being actioned. Trustees plan to externally review governors every 3 years in the future.

The Board requests and uses various data from the Academy leadership team and considers it to be appropriate as it facilitates discussion and informs decision making at all levels.

### *Finance and Resources Committee*

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.

Trustees believe they have been able to maintain effective oversight of funds in having only 3 Finance meetings by ensuring all trustees receive detailed management accounts on a monthly basis, increasing the number of agenda items at each of the 3 meetings held, 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.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr Patrick Ferguson (Principal) (Resigned 31 December 2020)	1	1
Rev Chris Stafford (CofE Diocese of Liverpool Governors) (*)	1	4
Mr Michael Boland (Archdiocese of Liverpool Governors) (*)	4	4
Mrs Marie Adams (Principal) (Appointed Principal 01 January 2021)	4	4
Ms Jane Griffiths (CofE Diocese of Liverpool) (*)	4	4
Mr Chris Leylend (Liverpool Hope University) (*) (Appointed 29 March 2021)	2	2



# NEWTON ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### *Monitoring and Strategic committee*

The Monitoring and Strategic committee is a sub-committee of the main board of trustees. The committee provides strategic guidance to the Academy leadership in its response to the recommendations of the latest Ofsted Report and to monitor the pace and effectiveness of actions taken.

Particular issues dealt with in the year were the implementation of Teacher Assessed Grades in the absence of exams and the introduction of a new teacher appraisal policy.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr Patrick Ferguson (Principal)	1	1
Ms Jane Griffiths (CofE Diocese of Liverpool)	3	4
Mr Michael Boland (Archdiocese of Liverpool Governors)	4	4
Mrs Marie Adams (Staff Governor)	4	4
Mrs Barbara Naylor (CofE Diocese of Liverpool Governors)	4	4
Mrs Sue Cronin (Liverpool Hope University)	4	4

### *Community and Ethics committee*

The Community and Ethics committee is a sub-committee of the main board of trustees. The committee provides strategic guidance to the Academy leadership in ensuring the Christian Ethos of the academy. On an ongoing basis the committee monitor potential issues relating to student attendance, pastoral issues, student migration, chaplaincy and wellbeing.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr Patrick Ferguson (Principal) (Resigned 31 December 2020)	1	1
Ms Vicky Roberts (CofE Diocese of Liverpool Governors)	3	3
Mrs Fran McCaul (Parent Governor)	3	3
Mrs Marie Adams (Principal) (Appointed Principal 01 January 2021)	3	3
Mrs Jennie Hughes (Appointed 8 December 2020)	2	2

### *Pay committee*

The Pay committee was set up in October 2021. No meetings happened in the 2020/21 financial year, as the first meeting was held in October 2021. The pay committee formed part of the Finance and Resources committee for the year 2020/21.

### **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.

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

- Ongoing staffing reviews
- 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 SLA's to achieve best value

# NEWTON ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### **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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

The academy 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;
- 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 Gardiner & Russel Accounting Limited to 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 trustees confirm that the internal reviewer has delivered the schedule of work as planned as has been delivered in line with the ESFA's requirements.

Gardiner & Russell reported to the board 3 times in the year, no material control issues were highlighted to the Board. They carried out checks against Governance of finances, payroll transactions, cash and bank transactions, general procurement and systems and management information.

### **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 reviewer;
- The work of the external auditor;
- The financial management and government self-assessment process
- The work of the executive managers within the academy trust who have responsibility for the development

# NEWTON ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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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 board of trustees on 7.12.21 and signed on its behalf by:



Mr Michael Boland  
Archdiocese of Liverpool Governors) (\*



Mrs Marie Adams  
Principal

## NEWTON ACADEMY TRUST

### STATEMENT OF 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 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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

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

Mrs Marie Adams  
Accounting Officer



7.12.21

# NEWTON ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 7.12.21 and signed on its behalf by:



Mr Michael Boland  
Archdiocese of Liverpool Governors) (\*)

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

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## Opinion

We have audited the financial statements of Newton Academy Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 charitable company'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 financial statements and our auditor's report thereon. The trustees' are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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### **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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who act as trustees for the charitable activities of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

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

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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 where 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 audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law 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 judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Karen Musgrave (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE  
...16/12/21



# NEWTON ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Income and endowments from:</b>							
Donations and capital grants	4	-	-	133	-	133	24
Charitable activities:							
- Funding for educational operations	5	103	7,774	-	-	7,877	6,985
Other trading activities	6	16	-	-	-	16	20
Investments	7	10	-	-	-	10	11
<b>Total</b>		<u>129</u>	<u>7,774</u>	<u>133</u>	<u>-</u>	<u>8,036</u>	<u>7,040</u>
<b>Expenditure on:</b>							
Charitable activities:							
- Educational operations	9	71	6,985	470	-	7,526	7,233
<b>Total</b>	8	<u>71</u>	<u>6,985</u>	<u>470</u>	<u>-</u>	<u>7,526</u>	<u>7,233</u>
Gains on endowment investments		-	-	-	60	60	3
<b>Net income/(expenditure)</b>		<u>58</u>	<u>789</u>	<u>(337)</u>	<u>60</u>	<u>570</u>	<u>(190)</u>
Transfers between funds	20	-	(138)	38	100	-	-
<b>Other recognised gains/(losses)</b>							
Actuarial gains on defined benefit obligations	26	-	173	-	-	173	356
<b>Net movement in funds</b>		<u>58</u>	<u>824</u>	<u>(299)</u>	<u>160</u>	<u>743</u>	<u>166</u>
<b>Reconciliation of funds</b>							
Total funds brought forward		<u>434</u>	<u>(3,770)</u>	<u>17,510</u>	<u>484</u>	<u>14,658</u>	<u>14,492</u>
Total funds carried forward		<u>492</u>	<u>(2,946)</u>	<u>17,211</u>	<u>644</u>	<u>15,401</u>	<u>14,658</u>

# NEWTON ACADEMY TRUST

## BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	13		17,210		17,510
Investments	14		566		406
			<u>17,776</u>		<u>17,916</u>
<b>Current assets</b>					
Stocks	15	24		27	
Debtors	16	341		228	
Cash at bank and in hand		1,712		944	
		<u>2,077</u>		<u>1,199</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(559)		(600)	
<b>Net current assets</b>			<u>1,518</u>		<u>599</u>
<b>Net assets excluding pension liability</b>			<u>19,294</u>		<u>18,515</u>
Defined benefit pension scheme liability	26		(3,893)		(3,857)
<b>Total net assets</b>			<u>15,401</u>		<u>14,658</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	20				
- Restricted fixed asset funds			17,211		17,510
- Restricted income funds			947		87
- Pension reserve			(3,893)		(3,857)
- Endowment funds			644		484
<b>Total restricted funds</b>			<u>14,909</u>		<u>14,224</u>
<b>Unrestricted income funds</b>	20		<u>492</u>		<u>434</u>
<b>Total funds</b>			<u>15,401</u>		<u>14,658</u>

The financial statements on pages 24 to 47 were approved by the board of trustees and authorised for issue on 7.12.21 and are signed on their behalf by:



Mr Michael Boland  
Archdiocese of Liverpool Governors) (\*

# NEWTON ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

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		2021		2020	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	23		895		675
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		10		11	
Capital grants from DfE Group		25		24	
Capital funding received from sponsors and others		108		-	
Purchase of tangible fixed assets		(170)		(24)	
Purchase of investments		(164)		-	
Proceeds from sale of investments		64		-	
<b>Net cash (used in)/provided by investing activities</b>			(127)		11
<b>Net increase in cash and cash equivalents in the reporting period</b>			768		686
Cash and cash equivalents at beginning of the year			944		258
<b>Cash and cash equivalents at end of the year</b>			<u>1,712</u>		<u>944</u>

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# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

#### General information

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.

#### Basis of preparation

The financial statements of the academy trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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.

#### Going concern

The trustees assess whether the use of going concern is appropriate, and 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 financial statements 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 financial statements.

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

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 2019.

#### 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.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

##### Grants

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

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

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

##### Other income

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

##### **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.

##### Charitable activities

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

##### **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.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	2% straight line
Plant and machinery	15% straight line
Computer equipment	20% straight line
Fixtures, fittings and 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.

#### 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 of services it must provide.

#### Leased assets

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

#### Investments

Listed investments are initially measured at cost and subsequently measured at fair value at the reporting date.

#### Stock

Unsold uniforms and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

#### Financial instruments

The academy trust has chosen to adopt Sections 11 of FRS 102 in full in respect of financial instruments.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

##### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

##### **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.

##### **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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

#### **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 funds.

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

#### **Agency Arrangements**

The Academy Trust acts as an 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 administration 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.



# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 2 Critical accounting estimates and areas of judgement (Continued)

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### 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.

#### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2021 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 exceeded these limits during the year ended 31 August 2021.

#### 4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	25	25	24
Other donations	-	108	108	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	133	133	24
	<hr/>	<hr/>	<hr/>	<hr/>

The income from donations and capital grants was £133,000 (2020: £24,000) of which £133,000 was restricted fixed assets (2020: £24,000).

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	6,493	6,493	5,874
Other DfE / ESFA grants:				
- Pupil premium	-	434	434	386
- Teachers pay/pension	-	339	339	317
- Others	-	213	213	108
	-	7,479	7,479	6,685
<b>Other government grants</b>				
Local authority grants	-	191	191	186
<b>COVID-19 additional funding (DfE / ESFA)</b>				
Catch-up premium		104	104	-
Other incoming resources	103	-	103	114
	103	7,774	7,877	6,985

The income from funding for educational operations was £7,877,000 (2020: £6,984,000) of which £103,000 was unrestricted (2020: £114,000) and £7,774,000 was restricted (2020: £6,870,000).

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium and Teachers Pay Grants are no longer reported within the Other DfE, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £104,063 (2020: £nil) of funding for catch-up premium and costs incurred in respect of this funding totalled £97,514, with the remaining £6,549 to be spent in 2021/22.

### 6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	16	-	16	20

The income from other trading activities was £16,000 (2020: £20,000) of which £16,000 was unrestricted (2020: £20,000).

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Other investment income	10	-	10	11

The income from funding for investment income was £10,000 (2020: £11,000) of which £10,000 was unrestricted (2020: £11,000).

#### 8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000		Other £'000	Total 2021 £'000	Total 2020 £'000
Academy's educational operations						
- Direct costs	4,748	455		365	5,568	5,434
- Allocated support costs	830	542		586	1,958	1,799
	<u>5,578</u>	<u>997</u>		<u>951</u>	<u>7,526</u>	<u>7,233</u>

#### Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	470	447
Net interest on defined benefit pension liability	66	70
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	17	11
- Other services	3	3

#### 9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Direct costs</b>				
Educational operations	-	5,568	5,568	5,434
<b>Support costs</b>				
Educational operations	71	1,887	1,958	1,799
	<u>71</u>	<u>7,455</u>	<u>7,526</u>	<u>7,233</u>

The expenditure on charitable activities was £7,526,000 (2020: £7,233,000) of which £71,000 was unrestricted (2020: £71,000), £6,985,000 was restricted (2020: £6,715,000) and £470,000 was restricted fixed assets (2020: £447,000).

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Charitable activities (Continued)

	2021 £'000	2020 £'000
<b>Analysis of support costs</b>		
Support staff costs	830	827
Depreciation	15	15
Premises costs	527	421
Other support costs	570	523
Governance costs	16	13
	<u>1,958</u>	<u>1,799</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	4,080	3,978
Social security costs	389	377
Pension costs	1,048	1,034
	<u>5,517</u>	<u>5,389</u>
Staff costs - employees	5,517	5,389
Agency staff costs	61	70
	<u>5,578</u>	<u>5,459</u>

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	74	72
Administration and support	53	55
Management	3	4
	<u>130</u>	<u>131</u>

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 10 Staff (Continued)

##### Higher paid staff

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

	2021 Number	2020 Number
£70,001 - £80,000	1	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£140,001- £150,000	-	1

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £355,518 (2020: £493,188).

#### 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:

P Ferguson (Resigned 31 December 2020):

Remuneration £47,492 (2020: £142,925)

Employers Pension Contributions £nil (2019: £nil)

M Adams (Appointed Principal 1 January 2021) (*highest paid trustee*):

Remuneration £95,850 (2020: £80,000 - £85,000)

Employers Pension Contributions £22,697 (2020: £15,000 - £20,000)

L White:

Remuneration £25,000 - £30,000 (2020: £20,000 - £25,000)

Employers Pension Contributions £0 - £5,000 (2020: £0 - £5,000)

B Leek:

Remuneration £30,000 - £35,000 (2020: £30,000 - £35,000)

Employers Pension Contributions £5,000 - £10,000 (2020: £5,000 - £10,000)

During the year expense payments totalling £418 (2020: £3,587) were made to three of the trustees in respect of travel and subsistence.

#### 12 Trustees and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides unlimited cover on any one claim. The cost of this insurance is included in the total insurance cost.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

	Leasehold buildings	Plant and machinery	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 September 2020	21,225	7,407	926	1,861	12	31,431
Additions	8	-	152	10	-	170
At 31 August 2021	21,233	7,407	1,078	1,871	12	31,601
<b>Depreciation</b>						
At 1 September 2020	3,807	7,369	898	1,839	8	13,921
Charge for the year	423	7	33	6	1	470
At 31 August 2021	4,230	7,376	931	1,845	9	14,391
<b>Net book value</b>						
At 31 August 2021	17,003	31	147	26	3	17,210
At 31 August 2020	17,418	38	28	22	4	17,510

### 14 Fixed asset investments

	Government Securities	UK equities	Overseas equities	Other	Cash	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Market value</b>						
At 1 September 2020	35	168	22	168	13	406
Disposals at opening book value	-	(59)	-	(5)	-	(64)
Acquisitions at cost	5	72	20	39	28	164
Change in value in the year	1	43	1	15	-	60
At 31 August 2021	41	224	43	217	41	566
<b>Historical cost:</b>						
At 31 August 2021	38	187	39	165	41	470
At 31 August 2020	25	166	18	126	13	348

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Stocks

2021  
£'000

2020  
£'000

School uniform

24

27

### 16 Debtors

2021  
£'000

2020  
£'000

Trade debtors

17

18

VAT recoverable

28

-

Other debtors

-

1

Prepayments and accrued income

296

209

341

228

### 17 Creditors: amounts falling due within one year

2021  
£'000

2020  
£'000

Trade creditors

112

142

Other taxation and social security

101

121

ESFA creditors

174

-

Other creditors

5

170

Accruals and deferred income (see note 18)

167

167

559

600

### 18 Deferred income

2021  
£'000

2020  
£'000

Deferred income is included within:

Creditors due within one year

52

61

Deferred income at 1 September 2020

61

5

Released from previous years

(61)

(5)

Resources deferred in the year

52

61

**Deferred income at 31 August 2021**

52

61

At the balance sheet date, the academy trust was holding funds received in advance for bursaries, rates relief, covid catch-up grants, and uniform stock sales.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Financial instruments

The academy trust has the following financial instruments measured at fair value through profit or loss at 31 August:

	2021 £'000	2020 £'000
Carrying amount of financial assets	566	406

### 20 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	224	6,493	(5,556)	(245)	916
Other DfE / ESFA grants:					
- Pupil premium	-	434	(434)	-	-
- Teachers pay/pension	-	339	(339)	-	-
- Others	-	213	(189)	-	24
Catch-up premium	-	104	(67)	(30)	7
Other government grants	-	191	(191)	-	-
Other restricted funds	(137)	-	-	137	-
Pension reserve	(3,857)	-	(209)	173	(3,893)
	(3,770)	7,774	(6,985)	35	(2,946)
<b>Restricted fixed asset funds</b>					
Inherited on conversion	22,507	-	(445)	(5,104)	16,958
DfE group capital grants	(5,125)	133	(25)	5,142	125
Capital expenditure from GAG	128	-	-	-	128
	17,510	133	(470)	38	17,211
Restricted endowment fund	484	-	-	160	644
<b>Total restricted funds</b>	14,224	7,907	(7,455)	233	14,909
<b>Unrestricted funds</b>					
General funds	434	129	(71)	-	492
<b>Total funds</b>	14,658	8,036	(7,526)	233	15,401



# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 20 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. The transfer in the year is to make good the other restricted funds.

*Fixed assets fund*

These grants relate to funding from the 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 2021

### 20 Funds (Continued)

#### Funds prior year

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(147)	5,874	(5,503)	-	224
Other DfE / ESFA grants:					
- Universal infant free school meals	-	-	-	-	-
- Pupil premium	-	386	(386)	-	-
- Start up grants	8	-	(8)	-	-
- Teachers pay/pension	-	317	(317)	-	-
- Others	-	108	(108)	-	-
Other government grants	-	186	(186)	-	-
Other restricted funds	(137)	-	-	-	(137)
Pension reserve	(4,006)	-	(207)	356	(3,857)
	<u>(4,282)</u>	<u>6,871</u>	<u>(6,715)</u>	<u>356</u>	<u>(3,770)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	22,930	-	(423)	-	22,507
DfE group capital grants	(5,125)	24	(24)	-	(5,125)
Capital expenditure from GAG	128	-	-	-	128
	<u>17,933</u>	<u>24</u>	<u>(447)</u>	<u>-</u>	<u>17,510</u>
Restricted endowment fund	<u>434</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>484</u>
<b>Total restricted funds</b>	<u>14,085</u>	<u>6,895</u>	<u>(7,162)</u>	<u>406</u>	<u>14,224</u>
<b>Unrestricted funds</b>					
General funds	<u>407</u>	<u>145</u>	<u>(71)</u>	<u>(47)</u>	<u>434</u>
<b>Total funds</b>	<u>14,492</u>	<u>7,040</u>	<u>(7,233)</u>	<u>359</u>	<u>14,658</u>

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2021 are represented by:</b>					
Tangible fixed assets	-	-	17,210	-	17,210
Fixed asset investments	-	-	-	566	566
Current assets	492	1,506	1	78	2,077
Creditors falling due within one year	-	(559)	-	-	(559)
Defined benefit pension liability	-	(3,893)	-	-	(3,893)
<b>Total net assets</b>	<b>492</b>	<b>(2,946)</b>	<b>17,211</b>	<b>644</b>	<b>15,401</b>

	Unrestricted Funds	Restricted funds: General	Fixed asset	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2020 are represented by:</b>					
Tangible fixed assets	-	-	17,510	-	17,510
Fixed asset investments	-	-	-	406	406
Current assets	434	687	-	78	1,199
Creditors falling due within one year	-	(600)	-	-	(600)
Defined benefit pension liability	-	(3,857)	-	-	(3,857)
<b>Total net assets</b>	<b>434</b>	<b>(3,770)</b>	<b>17,510</b>	<b>484</b>	<b>14,658</b>

#### 22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	1	10
Amounts due between one and five years	-	2
	<b>1</b>	<b>12</b>

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 23 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £'000	2020 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	570	(190)
Adjusted for:		
Capital grants from DfE and other capital income	(133)	(24)
Gain on endowment fund	(60)	(3)
Interest receivable	(10)	(11)
Pension costs less contributions payable	143	137
Pension scheme finance costs	66	70
Depreciation of tangible fixed assets	470	447
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	3	(3)
(Increase)/decrease in debtors	(113)	79
(Decrease)/increase in creditors	(41)	173
<b>Net cash provided by operating activities</b>	<u>895</u>	<u>675</u>

#### 24 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	944	768	1,712
	<u>          </u>	<u>          </u>	<u>          </u>

#### 25 Members' liability

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

#### 26 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.

Contributions amounting to £Nil were payable to the schemes at 31 August 2021 (2020: £153,748) and are included within creditors.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 26 Pension and similar obligations (Continued)

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

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 below the information available on the scheme.

###### 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 in 5 March 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

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

The employer's pension costs paid to the TPS in the period amounted to £751,000 (2020: £734,000)

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

##### 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 2021 was £300,000 (2020 - £292,000), of which employer's contributions totalled £239,000 (2020 - £234,000) and employees' contributions totalled £61,000 (2020 - £58,000). The agreed contribution rates for future years are 16.9% for employers and 5.5-12.5% for employees.

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 26 Pension and similar obligations (Continued)

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.

The past service cost of Nil (2020: £5,000) recognised in the prior year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

<b>Total contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	239	234
Employees' contributions	61	58
	<hr/>	<hr/>
Total contributions	300	292
	<hr/> <hr/>	<hr/> <hr/>

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2021 by a qualified independent actuary.

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.7	2.4
	<hr/>	<hr/>

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

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.0	20.9
- Females	24.1	24.0
Retiring in 20 years		
- Males	22.6	22.5
- Females	26.0	25.9
	<hr/>	<hr/>

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 26 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2021 Fair value £'000	2020 Fair value £'000
Equities	2,351	1,771
Government bonds	64	91
Other bonds	540	502
Cash	82	197
Property	435	328
Other assets	1,103	750
Total fair value of assets	4,575	3,639

The actual return on scheme assets was £702,000 (2020: £102,000).

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	377	361
Past service cost	-	5
Net interest cost	66	70
Administration expenses	5	5
Total operating charge	448	441

Changes in the present value of defined benefit obligations	2021 £'000	2020 £'000
At 1 September 2020	7,496	7,184
Current service cost	377	361
Interest cost	134	130
Employee contributions	61	58
Actuarial loss/(gain)	461	(314)
Benefits paid	(61)	72
Past service cost	-	5
At 31 August 2021	8,468	7,496

# NEWTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 26 Pension and similar obligations (Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

	2021 £'000	2020 £'000
At 1 September 2020	3,639	3,178
Interest income	68	60
Return on plan assets (excluding net interest on the net defined pension liability)	634	42
Employer contributions	239	234
Employee contributions	61	58
Benefits paid	(61)	72
Administration expenses	(5)	(5)
At 31 August 2021	<u>4,575</u>	<u>3,639</u>

### 27 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the trust's financial regulations and normal procurement procedures, unless otherwise stated.

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

- During the year, purchases to the value of £14,526 (2020: £20,601) were made from the Roman Catholic Archdiocese of Liverpool, a connected party to a Trustee.
- During the year, purchases to the value of £2,875 (2020: £2,875) were made from the Church of England Diocese of Liverpool, a connected party to a Trustee.
- During the year, The Liverpool Joint Catholic and Church of England Academies of which Patrick Ferguson was a Director, has been sold services to the value of £255 (2020: £27,579).

Key management personnel compensation disclosure is included in note 10.

### 28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £14,248 (2020: £18,211) and disbursed £3,957 (2020: £6,834) from the fund. An amount of £26,956 (2020: £16,665) is included in other creditors relating to undistributed funds that is repayable to ESFA.



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

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 22 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Newton Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Newton Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of Newton Academy Trust's accounting officer and trustees**

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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Newton Academy Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2020 to 2021.

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.

### Use of our report

This report is made solely to Newton Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 22 October 2019. Our work has been undertaken so that we might state to the Newton Academy Trust and the 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 the ESFA, for our work, for this report, or for the conclusion we have formed.

*Brian Johnson*

### RSM UK Audit LLP

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Dated: 16/12/21

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