

Company Registration No. 08366005 (England and Wales)

**THE 1590 TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

THE 1590 TRUST

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THE 1590 TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs P Brooks
Ms F Johnson
Mr M Maggiore
Mr J Carter (resigned 9 October 2018)
Rev J Ford
Mrs S Blake (appointed 9 October 2018)

Trustees

Ms F A Johnson (Chair)
Mrs J Coleman (Resigned 31 October 2019)
Mr C P Beaumont
Professor E Martin (Vice-Chair)
Mrs S Jones
Dr R Smith
Mrs S Blake (Resigned 7 October 2018)
Mr J Carter (Appointed 9 October 2018)
Mrs M R Lowbridge (Appointed 12 December 2018)

Trust Executive Group

- Chief Executive	Mrs L Spellman
- Deputy Headteacher Conyers School	Mr J Downs
- Director of Finance and Operations	Mr J McCann
- Headteacher Bader Primary	Mr D Hodgson
- Deputy Headteacher Bader Primary	Mrs S Jatwa
- Assistant Head Bader Primary	Mrs A Douthwaite
- Assistant Head Bader Primary	Ms C Rider
- Headteacher Kirklevington Primary	Mrs J Moralee
- Deputy Headteacher Kirklevington	Mrs V Leaper
- Headteacher Layfield Primary	Mrs H Owen
- Deputy Head Layfield Primary	Mrs J Smith
- Headteacher Levendale Primary	Dr R Beadnall
- Deputy Head Levendale Primary	Mrs B Carnelly

Company secretary

Mr J McCann

Company registration number

08366005 (England and Wales)

Registered office

Green Lane
Yarm
Stockton on Tees
TS15 9ET

Academies operated

Academies operated	Location	Date Joined	Headteacher
Conyers School	Yarm	1 February 2013	Mrs L Spellman
Bader Primary School	Thornaby	1 September 2017	Mr D Hodgson
Kirklevington Primary School	Yarm	1 June 2018	Mrs J Moralee
Layfield Primary School	Yarm	1 September 2018	Mrs H Owen
Levendale Primary School	Yarm	1 April 2019	Dr R Beadnall

THE 1590 TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers Lloyds Bank plc
2nd Floor
Skinnergate
Darlington
County Durham
DL3 7ND

Solicitors Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

THE 1590 TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The 1590 Trust (the Trust) is a Multi Academy Trust of five schools serving some 2,250 pupils and employing around 300 staff. Conyers School is a secondary school and sixth form (11 to 18 year olds) serving a catchment area in south Stockton with a roll of 1,290. Bader Primary school in Thornaby, is a nursery and primary school (2 to 11 year olds) with 330 pupils on roll and 55 in nursery. Kirklevington Primary school (3 to 11 year olds) is a nursery and primary school in Kirklevington village, with 117 on roll and 14 in nursery. Layfield Primary school is a primary school in Yarm, with 182 pupils and 27 in nursery. Levendale Primary in Yarm, joined on 1 April 2019 with 197 pupils and 13 in nursery. All pupil numbers are based on the October 2018 census and it should be noted that nursery numbers rise during the year. A sixth school (Bewley Primary in Billingham) joined the Trust on 1st Sept 2019.

Structure, governance and management

Constitution

The 1590 Trust is a company limited by guarantee and an exempt charity. It was incorporated on the 18th January 2013 and opened as an academy, on the 1st February 2013. It reconstituted itself as a Multi Academy Trust in November 2016. The memorandum and articles of association are the primary governing documents of the school.

The trustees oversee the charitable activities of the Trust and are the Directors of the charitable company for the purposes of company law during the year to 31 August 2019. The Trust consists of Members, a Trust Board and local governing bodies at school level. Conyers school has a local governing body with full delegated powers. Bader Primary school is governed by a Trust board, supported by Bader governing body. Kirklevington, Layfield and Levendale Primary schools each have a local governing body with full delegated powers.

Local governing bodies are made up of the following, in accordance with the articles of association 45 – 64 as follows:

- a. A maximum of 9 community governors (appointed by the Trust)
- b. A maximum of 3 staff governors, (elected by staff), provided that the number of governors (including the Head and Chief Executive does not exceed one third of the Governing body
- c. A minimum of 2 and a maximum of 6 parent governors (elected by parents)
- d. The Headteacher and Chief Executive
- e. The School may also have a maximum of 3 co-opted governors under Article 59 (appointed by the LGB).

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Any governor can be re-appointed or re-elected providing they still fulfil the criteria of the articles of association.

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.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trustees' indemnities

Governors and trustees benefit from indemnity insurance purchased by the Trust. This covers the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees or governors knew to be a breach of trust or breach of duty which was committed by the trustees or governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal defence to a criminal prosecution brought against the trustees and governors in their capacity as directors of the trust. The limit of this indemnity is £10,000,000.

The Trust is part of the Risk Protection Arrangement (RPA), provided by the government which protects trustees from claims arising against negligent acts, errors or omissions occurring whilst on trust business.

Method of recruitment and appointment or election of trustees

The Members have the right to appoint the Trustees of the Trust.

The Trust has opted to have elected parent governors on each individual school governing body, rather than at Trust level, so as to maintain the strong links between parents and each school.

The Trust has sought to build up the capacity of the Trust during the year, in particular around primary education expertise. It has recruited new Trustees, drawing upon the services of Academy Ambassadors with Members interviewing prospective candidates prior to appointment.

Policies and procedures adopted for the induction and training of trustees

The Trust uses the School and Governor Support service from Stockton Council. All trustees and governors have access to the School and Governor Support service's training programme. All trustees and governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role. Training is a standard agenda item for Trustees and Governors.

Organisational structure

The Trust has operated with a Trust Board and a further three committees, to manage specific areas of its remit. The Trust Board met six times in the year, with a Forward Plan to manage its workload and decision making. The Trust provides the strategic direction and oversight for the Multi Academy Trust. The Trust meeting cycle has been streamlined for 2019/20, following a review of Trust effectiveness.

The Trust's Finance Committee oversees the budgets, finances and risk management for the trust and acts as the audit committee.

The Trust Standards Committee has oversight of the educational performance of the Trust, to ensure its high standards are maintained. It is being replaced with a School Improvement Committee for 2019/20.

Bader Oversight Board was created by the Trust to oversee the governance of Bader Primary school, following the decision not to delegate powers to the local governing body. It meets six times a year and works closely with Bader governing body. The intention is to build up the capacity of the latter to enable delegation to be restored.

The Trust delegates certain responsibilities in accordance with a published scheme of delegation to the Local Governing Bodies. Each school has its own scheme of delegation, based on the National Governors Association mixed model of delegation.

The local governing body of Conyers school has full delegated powers from the Trust. The full governing body normally meets once each half term (six times a year). The three sub committees meet three times a year.

The governing body establish an overall framework for the governance of the school and determine membership, terms of reference and procedures of committees and other groups which are reviewed on an annual basis. It receives reports including policies from its committee's for ratification. It monitors the work of the committees through minutes and verbal reports of the chair of each committee.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

A similar arrangement is in place for Kirklevington, Layfield and Levendale Primary schools, although these conduct all of their business in the main meeting of the governing body.

The trustees and governors have devolved responsibility for day to day management of each School to the Headteacher.

Arrangements for setting pay and remuneration of key management personnel

All key management personnel are paid in accordance with the national terms and conditions of pay for teachers, using the leadership pay scales. The remuneration of the Chief Executive and each Headteacher is annually reviewed and approved, by the Trust's Headteacher Appraisal Panel. The Trust Salary Review Committee exercises oversight on senior staff and teachers pay.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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The Trust works with the recognised Trade Unions for its workforce, in accordance with its employment policies and the terms of TUPE for those staff joining the Trust from Stockton Council. It encourages all its staff to join the relevant Trade Unions.

Related parties and other connected charities and organisations

The Trust does not work in federation with any other organisation but is developing relationships with other schools where these partnerships assist in the achievement of our objectives. The Trust works closely with the independent Parent Teacher Associations associated with each of its schools, which have charity status.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The principal objectives of the Trust are:

1. To advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
2. To promote for the benefit of inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving conditions of life of the said inhabitants.

We aim to develop:

- Independent, determined students who will achieve their potential
- Creative, confident learners who will embrace opportunity
- Enthusiastic, empathetic people who will contribute positively to their community.

Objectives, strategies and activities

Each school has its own School Development Plan which is monitored by its governing body, which sets out the objectives for three years, with an annual update setting out the planned activities of the school to deliver these.

The Trust developed a new three year vision and plan for the overall Trust, from 1 September 2018. The vision is set out here:

The trust is a group of like-minded schools that share common values. All schools

- are safe, secure, happy and caring
- promote inclusion and tolerance, and celebrate diversity
- develop independent, resilient, motivated learners
- foster enthusiasm, positivity and mutual respect
- work collaboratively and sit at the heart of their communities
- set high expectations and challenge all to achieve their potential

Progress, standards and outcomes will be high.

Public benefit

The Trust confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties.

Strategic report

Achievements and performance

The 1590 Trust

The Trust has expanded during 2018/19. On 1 September 2018 Layfield Primary School joined and on 1 April 2019 Levendale Primary school also joined the Trust. Bewley Primary School plan to join the Trust on 1st Sept 2019. A major task has therefore been to integrate these new schools and develop common support systems to provide value for money and more effective support for the classroom. The Trust has developed a Trust wide vision and plan, which will drive performance of the next three years.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conyers School

Perseverando – 'Through Perseverance' is the school motto from which our core values are derived. At Conyers our core values are self-belief, mutual respect and pride in our community

In May 2018, Conyers School and Sixth Form was rated Good by Ofsted demonstrating the high standards being achieved by the school.

Conyers school maintained strong results given students' starting points in 2019:

- More than 3 out of 4 (75 percent) students gained 5 good GCSE grades including English & Maths which allowed them to progress to a level 3 programme at post 16.
- More than 30 students gained eight or more grade 7s or higher.
- 3 out of 5 students in receipt of Pupil Premium gained at least a grade 4 in English and Maths.
- More than 95 percent of students gained at least 5 GCSEs
- The 'Progress 8' score, the Government measure of added value, is above zero which means that students at Conyers make strong progress when compared with similar students nationally.

The performance of the sixth form at A level and BTEC continued to be strong especially given students' starting points:

- 54 percent of grades at A*, A or B
- Overall progress measures place Conyers in the top 10 percent of post 16 providers nationally.
- Almost 1 in 5 A level students achieved at least ABB
- The average A level grade was B-
- 10 BTEC Level 3 students (Engineering or Health & Social Care) achieved 3 distinctions or better.

Destinations

Conyers students have a very high rate of securing work or further education after finishing at the school:

- More than 95 percent of 2017's Year 11 leavers were in Education or Employment with Training one year after leaving Conyers
- 2018 Sixth Form leavers secured high quality apprenticeships at a range of work places from the Bank of England to local Engineering Companies and places at University including Oxford, Imperial College London and Durham to study a wide range of subjects from Archaeology to Zoology.

Life beyond the classroom

Conyers students have the opportunity to get involved in a variety of ex curricular activities including:

- A wide range of sports with success for teams and individuals, including a former student being the youngest ever Middlesbrough FC first team player
- A range of overseas trips such as skiing in Andorra, Year 8 languages visits to France and Switzerland, a Geography visit to the Azores and Southern Italy, a sixth form trip to New York.
- A fantastic production of 'Bugsy Malone' performed at Billingham Forum theatre, involving more than 100 students playing to a packed house.
- the Duke of Edinburgh Award scheme, including Silver and Gold Awards following camping expeditions organised by the school's Duke of Edinburgh team.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Bader Primary School

The school is moving forward, with its motto 'Aiming High' inspired by Sir Douglas Bader, who the school is named after. The school values of being happy, aiming high, showing determination, excellence and respect underpin everything that school does. The school's academic performance is summarised below:

- Over the past three years, children achieving a 'good level of development' has been at or about national expectations.
- Phonics performance has historically been strong and this years' 2019 outcomes, at 87 percent, are above the Stockton (the Local Authority) outcomes
- The percentage of children achieving the expected standard in maths in Key Stage 1 was 77 percent, in line with the 79 percent average for the Local Authority. Key Stage 1 maths outcomes in the previous two years have been higher than national and LA average
- Attainment in Key Stage 2 continues on an upward trajectory with all subjects securing an improvement from the previous year, including the combined reading, writing and maths scores
- Progress scores at the end of Key Stage 2 have improved massively with reading at 1.9 (previously -3.7), writing at 4.6 (previously -1.8) and maths at 2.0 (previously -3.2)
- Attendance has improved from 95.4 percent (2017/2018) to 95.8 percent (2018/2019).

Bader pupils have the opportunity to get involved in a wide range of extra-curricular activities including:

- After school clubs, including a choir and Bader band that regularly performs in a variety of venues, digital leaders, reading for pleasure plus many sports clubs
- A dedicated sports coach and a secondary trained PE teacher delivering high quality PE and fitness sessions, participation in a whole range of sport development days, cluster events and competitions
- Aspirational events organised throughout the year to motivate and inspire learners young and old
- *Magic Breakfast* launched, ensuring a good start to the day for all our pupils.

Kirklevington

Kirklevington results for 2019 are strong, for both measures 'at expected standards' and 'greater depth', especially at Key Stage 2, which are considerably higher than national figures:

- Children achieving a good level of development in Early Years was 74 percent, and increase of 10 percentage points on last year.
- Phonics outcomes at Kirklevington have returned to the usual high levels with 80 percent of Year 1 children passing this year's phonics screening test. 100 percent of Year 2 children have passed this check.
- The percentage of children reaching the expected standard in reading, writing and maths at Key Stage 1 was 69, 63 and 75 percent respectively in line with average national figures and Stockton.
- The percentage of children achieving Greater Depth at Key Stage 1 was once again higher than National at 31%, 25% and 25%.
- Attainment in Key Stage 2 has dipped, which was not unexpected and relates to the cohort, with Reading, Writing and Maths at 68, 74 and 79 percent respectively. Progress was positive in all subjects.
- Again, the percentage of children reaching Greater Depth is in line or above the National at 26, 42 and 26 percent for reading, writing and maths.
- These scores are in line or higher than floor and national expectations and children make good progress across the school.

Kirklevington became a *Rights Respecting Gold School* in April 2019, one of only a few nationally to achieve this standard. The children at Kirklevington Primary have ensured that the UN Convention on the Rights of the Child is woven into their ethos, curriculum, policies and everyday practice. The voice of the child is encouraged, respected and acted upon, resulting in pupils feeling valued and supported.

They were also awarded the *Platinum School Games Award* for 2018-19. This is recognition of the high quality PE and Sports provision at Kirklevington Primary, as well as the focus on healthy lifestyles and being active. The children are actively involved in leadership activities, alongside taking part in a variety of sports and competitions.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Layfield Primary

Layfield joined the Trust on 1 September 2018. The school was inspected by Ofsted in March 2018 and graded Good. Layfield has had a good year academically, with the exception of KS2 SAT results. Results were above national figures in Early Years and Phonics, and are comparable at Key Stage 1. Poor outcomes at KS2 were very disappointing and unexpected following predictions that they would be comparable to national in all subjects.

Early Years Outcomes have been consistently above national for the past three years and 77 percent of children achieved a Good Level of Development.

Phonics Check - there is a 3 year improving trend in attainment at phonics and 89 percent of children passed the check in Year 1 (25 out of 28 pupils).

Key Stage 1 - there has been a falling trend in outcomes over the past three years in reading and maths. However outcomes are well above national in reading (78%) and writing (67%) and in-line with national in maths (70%). The percentage of children achieving Greater Depth at Key Stage 1 for reading, writing and maths was 30, 22 and 22.

Key Stage 2 - following an improvement in outcomes for all subjects in 2018, we expected that outcomes for 2019 would continue to demonstrate similar attainment and better progress. Unfortunately, the SAT results for reading, maths and SPAG in 2019 did not reflect predictions based on previous in-school data and assessments. The turnover of pupils throughout KS2 has undoubtedly been a contributing factor. Reading was 56 percent, writing 74 percent, SPAG 59 percent and maths 67 percent.

Layfield offer a wide range of exciting opportunities to all pupils including:

- The Forest School programme – featuring learning to safely light and cook over an open fire, whittle and make items from wood, make shelters and build dens and work as a team
- Visits and visitors linked to topic work – including a Planetarium visit for Y5 to link with 'Stargazers' topic about the solar system and beyond, HMS Trimcomalee visit for Y2 to link with 'Land Ahoy!' topic about pirates and explorers and Monk Park Farm visit for Y1 to link with 'Paws, Claws and Whiskers' topic about living things

Levendale

Levendale joined the Trust in April 2019. It is Ofsted rated Good and has had a good year academically.

- The proportion of children achieving a Good Level of Development in Reception was 74 percent.
- In Year 1, 96 percent of children achieved the threshold in the phonics screening test (22/23 children).
- 2019 Key Stage One results were strong, with reading at 76, writing at 75 and maths at 89 percent. The Greater Depth scores measure showed 28 percent for each of reading, writing and maths.
- 2019 Key Stage Two results were reading at 79, writing at 83, maths at 79 and SPAG 96 percent. The Greater Depth scores measure showed 39 for reading, 21 for writing, 36 for maths and 50 for SPAG

The school actively encourages participation in a wide range of activities and highlights of the year include:

- Trips in each year group related to class topic work.
- Participation in school clubs, including tag rugby, netball, football, hockey, multi-skills, balance bikes, chess, dance, running.
- Inter-school competition in a wide range of sports at local cluster, Stockton and Tees Valley level (we achieved our School Games Platinum Award for 2018-2019).
- A very successful and committed PTA who raise funds for the school through a wide variety of exciting activities and events, which enabled the construction of a new children's play area.
- Participation in Remembrance services in Yarm and Stockton, where pupils represent the school in the laying of wreaths or crosses.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Community Provision – Go Sport and Go Music

Conyers School has been a central part of the Yarm community since its founding in 1590. The Trust now serves a wider population across Yarm, Kirklevington, Ingleby Barwick, Stockton, Stainton and Thornaby. It continues to provide a much wider offer than simple academic achievement, with strong sporting and musical facilities.

The Trust has a well-established community sporting and leisure service called Go Sport. Go Sport is part of Conyers School and therefore all activities are self-funding and not-for-profit. It aims to provide high quality services at a reasonable cost to the community. A full range of courses for children and adults are on offer, including the likes of trampolining, gymnastics, cricket, football and dance. A state of the art, floodlit, 3G rubber crumb pitch, grass football pitches and mini soccer pitches, large newly refurbished sports hall and gymnasium, both with sprung floor, are all available for hire. The new Hall, changing rooms and studio due to open in Jan 2020 should improve the future community offer.

Go Music has been introduced in the last couple of years and is proving to be a success in promoting greater take up of music and developing the potential of young musicians. Go Music is also a not for profit service. Learning to play an instrument is one of the most rewarding and enjoyable activities a young person can do. It is widely recognised that studying Music helps develop a wide range of skills and abilities that benefit the student both academically and emotionally. This is especially true for students who participate in ensembles such as bands and choirs. This is why Go Music was founded, and why the musicians in the Trust schools perform as part of bands and choirs in events such as the School Show at Billingham Forum, Carol Service, Summer Concert and tour to Disneyland Paris. Over 220 pupils received tuition in a range of musical instruments, at Conyers School and in local primary schools (both within and outside the Trust).

Going concern

Taking into account consideration of all the relevant facts and circumstances and after making appropriate enquiries the Trust has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. For this reason, it adopts the going basis preparing the financial statements.

Financial review

The Trust remains in good financial health, with reasonable levels of reserves. A prudent and cautious approach was taken to budget setting and to the maintenance of effective financial and budgetary control through-out the year. Each school has delivered a revenue surplus during 2018/19.

The out turn for the Trust in 2018/19 was a surplus of £208,298 excluding movements in the restricted fixed asset fund, pension reserve and assets donated on conversion of acquired schools. The national Government decision not to fully fund pay and inflation increases is an ongoing pressure and risk to the financial health of the Trust.

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurring grants of £9,806,817 in year, the use of which is restricted for a specific purpose. The Trust generates additional unrestricted income from its community provision of Go Sport and Go Music and from its Conyers catering operation. Together with capital grants received in year and asset transfers from the local authority on conversion, the Trust recognised total income of £14,885,496.

Overall costs, including depreciation and LGPS pension costs, amounted to £12,174k (£9,663k 2017/18) resulting in a notional in year surplus of £2,711k (£1,864k in 2017/18).

Land, buildings and other assets are transferred to the Trust upon conversion. Further transfers of land and buildings took place on 1 September 2018 (£1,329,400) for Layfield and 1 April 2019 (£740,928) for Levendale primary schools.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust was successful in securing from the ESFA, Condition Improvement Fund grants of £814,551 during the year, for roofing schemes at Bader and Kirklevington. The projects will renew the majority of the roofing, bringing both schools to a satisfactory standard. These projects are due to conclude in December 2019.

The school held fund balances at 31 August 2019 of £16,570k (£14,872k in 2017/18) comprising £695,698 restricted funds, £615,545 unrestricted funds, £18,215,360 of restricted fixed assets funds and a pension reserve deficit of £2,957,000.

The calculated LGPS liability was £2,957,000 as at 31 August 2019, compared to the liability as at 31 August 2018 of £1,399,000. The closing deficit includes a small surplus acquired from schools entering the Trust during the year. Note 21 to the financial statements provides further details and also notes that the Secretary of State will meet all LGPS liabilities in the event of the closure of the Trust.

Key Performance Indicators

The main financial performance indicator is the level of reserves held as per the balance sheet. The Trust prepares a balanced budget each financial year. Additional indicators include:

Indicator	2019	2018	2017
Total staff costs / GAG income	90.0%	89.3%	91.9%
Total staff costs / Total Revenue income	76.4%	77.2%	78.8%
Total Reserves	£16.57m	£14.87m	£12.51m

Reserves policy

The Trust aims to carry forward sufficient funds to meet the long term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities. The Trust had determined that the appropriate level of free (unrestricted) reserves will be tailored to each individual school within the Trust, in light of its risks and pressures. This policy was agreed in Jan 2019. A separate ear marked reserve will be created for the Trust, in addition to reserves held for each school. The overall reserves currently stands at £615,545 (2018: £622,539).

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, it aims to invest surplus cash funds in savings accounts with its Bank, to optimise returns whilst ensuring the there is no risk to the loss of these cash funds. At 31 August 2019 £1,000,000 was deposited in saving accounts.

Principal risks and uncertainties

The principal financial risks the Trust faces are the under-funding of the school by central government, uncertainty over future funding arising from the national funding formula, the loss of students to competitor schools and rising costs of pension provision. These risks are taken into account when setting the budgets of the Trust.

The principal risk to the individual schools in the Trust is any reduction in pupil rolls. The majority of the school income is from Government funding through the Education and Skills Funding Agency, which is largely driven by the numbers of students. Each school needs to ensure that recruitment continues to be proactive and attracts additional pupils.

The building of a 'Free School' in the catchment area of Conyers had an initial adverse effect on pupil numbers, which will impact on future years until that lower year group leaves in 2021. New housing estates being built within the catchment area of Conyers and wider changes in South Stockton have seen an upward movement in pupil number from 2017 - 19, reflected in above PAN entry at Conyers school in 2018 and expected for 2019.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The primary schools have seen a similar upward movement in pupils coming into the school, in particular in the Yarm schools. Fluctuations across individual year groups mean that the future numbers vary by school, with Layfield seeing a significant increase whereas Levendale is seeing a decline in overall numbers in 2019.

The second major risk is the Government decision not to fully fund the national education budget or fully provide for pay awards. The combination of a reduction in post 16 funding, changes in funding arrangements for special educational needs, additional costs for employers in relation to the teachers' pension scheme and National Insurance and increasing costs for catering and premises mean that budgets will be under sustained pressure in the next few years.

Uncertainty over the National Funding Formula and the level of Government funding constitute the other main financial risk. This lack of clarity is making it difficult to develop robust longer term financial plans.

The Trust is a member of the Teesside Local Government Pension Scheme (LGPS), which results in the recognition of a significant notional deficit on the academy balance sheet. This significantly increased in 2018/19 resulting in a notional deficit of £2,957,000.

Financial and risk management objectives and policies

The Trust has a strategic risk register with the main items of risk being reviewed regularly by Trustees, in order to monitor the impact of the major risks to which it is exposed.

The Trust has robust business continuity plans in place for both physical and ICT risks. In addition, the Trust has a Financial Manual which ensures that the systems are in place to enable sound financial management.

The Trust also has a programme of internal assurance visits by the external auditor and all financial processes are discussed and reviewed at each visit with a report presented to the Finance Committee.

The Trust examine the financial health of the schools at each meeting of the Finance Committee and via monthly management accounts to Trustees.

At year end the schools had no significant liabilities arising from trade creditors or debtors which would have an effect on the liability of the schools.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section includes information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- Approach to fundraising
- Work with, and oversight of, any commercial participators / professional fundraisers
- Fundraising conforming to recognised standards
- Monitoring of fundraising carried out on its behalf
- Fundraising complaints
- Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

The Trust has fund raised to help pay for new changing rooms and a studio, as part of the new Hall project during 2018/19. A variety of small scales collections, events and activities have been run, coordinated by the Director of Go Sports. Students and individual members of staff do raise funds for other charities, such as sponsored walks/runs and Red nose day. These are supervised so as to ensure proper protection of all third parties and the good reputation of the Trust.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Employee Consultation and Engagement

The Trust employs over 250 employees and so has disclosed the actions taken during the year to introduce, develop or maintain arrangements to provide information and consult employees.

The Trust used daily briefings, regular all staff meetings/briefings and formal correspondence to inform staff of developments. The Trust employment policies are aligned with those of the local Council and include a full commitment to consult and engage with staff and their recognised Trade Unions. The Trust recognises and works closely with Trade Unions. Formal consultation with staff and unions, staff meetings and drop in sessions were provided for staff at Bewley Primary school, as part of the conversion process for joining the Trust.

Disabled Employees

The Trust has in place a suit of staffing employment policies which are in accordance with relevant legislation, regulations and best practise. Our application form sets out that We are positive about disability and welcome applications from disabled people. The Recruitment policy ensures the recruitment of all staff is conducted in a fair, effective and economic manner, in accordance with statutory requirements and good practice. Those responsible for the recruitment process are to demonstrate a professional approach by dealing honestly, efficiently and fairly with all applicants. Accordingly under the terms of The Equality Act 2010, the Trust will make reasonable adjustment to the recruitment process if an applicant makes the employer aware that they have a disability. This applies to the entire recruitment process, from advertisement to appointment.

The Trust are committed to making reasonable adjustments to help employees overcome disadvantage resulting from impairment and the process for dealing with employees who become disable are set out in the Attendance management procedures.

The Trust is committed to ensuring that disabled persons have the same opportunities in terms of training, career development and promotion as all staff.

Plans for future periods

Bewley Primary School in Billingham joined the Trust on 1 September 2019. There are no current plans to expand the Trust further. The Trust commissioned an independent review of support services across the Trust for 2019 / 20 to ensure capacity is in place to support the Trust in delivering effective and efficient services across six schools. The review commenced in October 2019 and will inform the budget setting for 2020/21.

The Trust has also restructured its governance arrangements to better focus on educational improvement, with a new independent chaired, School Improvement Committee which started work in September 2019.

Conyers School is working with Stockton Council to build a school hall by the end of 2019. Conyers was built without a hall and this has greatly limited school assemblies, meetings and internal drama and music provision. The acquisition of a hall would greatly improve both our pastoral, educational and community provision. Planning permission was granted for a hall and linked changing rooms and a community studio. Stockton Council are funding the building project. The project is on track. This will improve both the school and wider community offer for 2020 onwards.

Funds held as custodian trustee on behalf of others

The Trust does not act as custodian trustees for any other charity.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

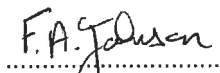
Auditor

In so far as the trustees are aware:

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

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...21/11/19..... and signed on its behalf by:


.....
Ms F A Johnson
Chair

THE 1590 TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Trust has delegated the day to day responsibility to the Chief Executive as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust and governing body any material weaknesses or breakdowns in internal control.

Self-Evaluation

The Trust reviewed the operation of the Trust in July 2018 and as a result revised the scheme of delegation and the split of committees. The Bader Oversight Board has reviewed the capacity of the governing body and determined that the current arrangements would continue for 2018/19. The Trust carried out an indepth review of its aims, structure and roles in June 2019. Taking on board learning from other MATs and Trustees evaluation, it has adopted a new way of working using monthly meetings and a special board, independently chaired, to oversee Standards. It will review how effective this has been next June.

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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Ms F A Johnson (Chair)	6	6
Mrs J Coleman (Resigned 31 October 2019)	5	6
Mr C P Beaumont	5	6
Professor E Martin (Vice-Chair)	4	6
Mrs S Jones	4	6
Dr R Smith	4	6
Mrs S Blake (Resigned 7 October 2018)	0	1
Mr J Carter (Appointed 9 October 2018)	4	4
Mrs M R Lowbridge (Appointed 12 December 2018)	1	3

Finance Committee

The main purpose of the Trust's Finance Committee is to monitor the financial documents produced by the Chief Executive and the Director of Finance and Operations. These include financial summaries for each school, unrestricted funds, curriculum cost centres, Go Sport, Go Music and catering. It also monitors the capital budget and approves all financial policies. This committee has taken on the role of audit committee. The formal membership was four Trustees but all Trustees had a standing invite.

There were six meetings of the Finance Committee and attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Ms F A Johnson	6	6
Mr C P Beaumont (Chair)	6	6
Professor E Martin	3	6
Dr R Smith	3	6

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Standards Committee

The Trust's Standards Committee met three times. It has the role of overseeing educational standards across the Trust, in liaison with the local governing bodies. The formal membership was four Trustees but all Trustees had a standing invite. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs J Coleman	3	3
Mrs S Jones (Chair)	3	3
Mrs S Blake (Resigned 7 October 2018)	0	0
Mr J Carter (Appointed 9 October 2018)	1	1
Mrs M R Lowbridge (Appointed 12 December 2018)	1	1

Bader Oversight Board

The Bader Oversight Board discharges the role of a local governing body, taking all formal decisions related to the operation of Bader Primary School. The Bader Governing Body works in liaison with the Bader Oversight Board, but has no delegated powers.

	Meetings attended	Out of possible
Ms F Johnson (Chair)	4	4
Mrs C Mason (Chair of Governing Body - Dec 2018 resigned)	0	1
Mrs B Oxlee (Chair of Governing Body – appointed Jan 2019)	3	3
Mr J O Boyle (Governor)	3	4
Mrs L Spellman (Chief Executive)	4	4
Professor E Martin (Trustee)	2	4
Mr D Hodgson (Headteacher)	4	4

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the 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 available. The accounting officer for the Trust has delivered improved value for money during the year by:

- Integrated curriculum review of the teaching structure against the requirements of the curriculum, to ensure the optimal deployment of staff, this is demonstrated by lower use of supply and maintaining the ratio of 0.78 which is the recommended benchmark of ACSL for best utilisation of teaching staff.
- Trust Executive Management Team review of educational support services and the annual contracts with Stockton council in March 2018 leading to efficiency gains through joint procurement.
- Development of a three year ICT procurement policy and move towards lesser use of paper across the Trust, which will generate savings and greater classroom effectiveness.

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 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 the Trust for the period 1 September 2018 to 31 August 2019 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 Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees has a formal ongoing process for identifying, evaluating and managing the Trust's significant risks. This has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. The risk register is regularly reviewed and updated by trustees, through-out the year.

The risk and control framework

The 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 regular financial reports which are reviewed and agreed by the trust's finance committee
- Monthly management accounts reviewed by Trustees and oversight 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; and
- Identification and management of risks.

The Trust have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed Baldwins Audit Services, the external auditor, to perform additional checks. The external auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. In particular, the checks carried out in the current period included:

- Review of monthly payroll accounts
- Review of monthly creditor and debtor aged listings
- Review Management reports to Trustees
- Review expense claims
- Ensure bank reconciliations have been carried out
- Test a sample of payments back to original order
- Review all purchases and contracts of a high value
- Review fixed asset register including depreciation
- Review minutes of Finance Meetings and review Risk Register
- Check petty cash balances
- Review of the recruitment and selection procedure with testing of a sample of appointments
- Checked that the Trust has reviewed its terms of reference for Governors and Trustees

The assurance audit was carried out in April 2019, including visits to the primary schools and the Go team. No significant issues were identified and the findings were presented to the Finance Committee in July 2019.

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Review of effectiveness

As accounting officer, the Chief Executive 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 External Auditor
- The financial management and governance self-assessment process
- The work of the Director of Finance and Operations who has responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of trustees on 27/11/19 and signed on its behalf by:


Ms F A Johnson
Chair


Mrs L Spellman
Accounting Officer

THE 1590 TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of The 1590 Trust I have considered my responsibility to notify the trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the 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 2018.

I confirm that I and the trust's board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2018.

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 L Spellman
Accounting Officer



27/11/19

THE 1590 TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of The 1590 Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

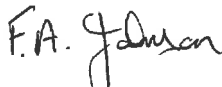
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 27/11/19 and signed on its behalf by:



Ms F A Johnson
Chair

THE 1590 TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE 1590 TRUST FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of The 1590 Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. 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.

THE 1590 TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE 1590 TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts 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.

THE 1590 TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE 1590 TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.



**Joanne Regan FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

10 December 2019

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

THE 1590 TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE 1590 TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The 1590 Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 1590 Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The 1590 Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The 1590 Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The 1590 Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The 1590 Trust's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE 1590 TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE 1590 TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins Audit Services

Reporting Accountant

Baldwins Audit Services

Dated: *10 December 2019*

THE 1590 TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	14,790	-	968,154	982,944	320,026
Donations - transfer from local authority on conversion	29	128,617	155,650	2,070,328	2,354,595	2,067,670
Charitable activities:						
- Funding for educational operations	4	435,464	10,340,708	-	10,776,172	8,570,471
Other trading activities	5	767,306	-	-	767,306	564,141
Investments	6	4,479	-	-	4,479	4,143
Total		1,350,656	10,496,358	3,038,482	14,885,496	11,526,451
Expenditure on:						
Raising funds	7	945,231	-	-	945,231	611,354
Charitable activities:						
- Educational operations	9	412,419	10,390,799	425,672	11,228,890	9,051,004
Total	7	1,357,650	10,390,799	425,672	12,174,121	9,662,358
Net income/(expenditure)		(6,994)	105,559	2,612,810	2,711,375	1,864,093
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(1,278,000)	-	(1,278,000)	501,000
Uplift to fixed assets	13	-	-	263,988	263,988	-
Net movement in funds		(6,994)	(1,172,441)	2,876,798	1,697,363	2,365,093
Reconciliation of funds						
Total funds brought forward		622,539	(1,088,861)	15,338,562	14,872,240	12,507,147
Total funds carried forward		615,545	(2,261,302)	18,215,360	16,569,603	14,872,240

THE 1590 TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2018
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	1,126	-	318,900	320,026
Donations - transfer from local authority on conversion	29	140,610	(41,000)	1,968,060	2,067,670
Charitable activities:					
- Funding for educational operations	4	312,711	8,257,760	-	8,570,471
Other trading activities	5	564,141	-	-	564,141
Investments	6	4,143	-	-	4,143
Total		1,022,731	8,216,760	2,286,960	11,526,451
Expenditure on:					
Raising funds	7	611,354	-	-	611,354
Charitable activities:					
- Educational operations	9	138,069	8,528,939	383,996	9,051,004
Total	7	749,423	8,528,939	383,996	9,662,358
Net income/(expenditure)		273,308	(312,179)	1,902,964	1,864,093
Transfers between funds	19	-	22,950	(22,950)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	501,000	-	501,000
Net movement in funds		273,308	211,771	1,880,014	2,365,093
Reconciliation of funds					
Total funds brought forward		349,231	(1,300,632)	13,458,548	12,507,147
Total funds carried forward		622,539	(1,088,861)	15,338,562	14,872,240


THE 1590 TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		17,575,566		15,148,315
Current assets					
Stocks	14	44,917		45,127	
Debtors	15	992,018		440,198	
Cash at bank and in hand		2,176,678		1,370,969	
			3,213,613		1,856,294
Current liabilities					
Creditors: amounts falling due within one year	16	(1,236,951)		(726,494)	
Net current assets			1,976,662		1,129,800
Total assets less current liabilities			19,552,228		16,278,115
Creditors: amounts falling due after more than one year	17		(25,625)		(6,875)
Net assets before defined benefit pension scheme liability			19,526,603		16,271,240
Defined benefit pension scheme liability	21		(2,957,000)		(1,399,000)
Total net assets			16,569,603		14,872,240
Funds of the trust:					
Restricted funds	19				
- Fixed asset funds			18,215,360		15,338,562
- Restricted income funds			695,698		310,139
- Pension reserve			(2,957,000)		(1,399,000)
Total restricted funds			15,954,058		14,249,701
Unrestricted income funds	19		615,545		622,539
Total funds			16,569,603		14,872,240

The accounts on pages 26 to 54 were approved by the trustees and authorised for issue on 27/11/19 and are signed on their behalf by:


 Ms F A Johnson
 Chair

Company Number 08366005

THE 1590 TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22	162,666		122,125	
Cash funds transferred on conversion		170,267		206,234	
		<u>332,933</u>		<u>328,359</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		4,479		4,143	
Capital grants from DfE Group		968,154		308,900	
Capital funding received from sponsors and others		-		10,000	
Purchase of tangible fixed assets		(518,607)		(192,381)	
		<u>454,026</u>		<u>130,662</u>	
Cash flows from financing activities					
New other loan		20,000		-	
Repayment of other loan		(1,250)		(1,250)	
		<u>18,750</u>		<u>(1,250)</u>	
Net cash provided by/(used in) financing activities					
		<u>18,750</u>		<u>(1,250)</u>	
Net increase in cash and cash equivalents in the reporting period					
		<u>805,709</u>		<u>457,771</u>	
Cash and cash equivalents at beginning of the year					
		<u>1,370,969</u>		<u>913,198</u>	
Cash and cash equivalents at end of the year					
		<u><u>2,176,678</u></u>		<u><u>1,370,969</u></u>	
Relating to:					
Bank and cash balances		1,176,678		870,969	
Short term deposits		1,000,000		500,000	

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The 1590 Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

During the year, the assets and liabilities transferred on conversion from Layfield Primary School and Levendale Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The value of land and buildings on conversion has been estimated based on Local Authority information. Other assets and liabilities have been transferred at fair value. Further details of the transaction are set out in note 29.

1.4 Income

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

Grants

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

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

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.5 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.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 or more and suites of assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	50 years
All weather pitches	10 years
Leasehold improvements	50 years
Asset under construction	Not depreciated
Office equipment	4 years
Fixtures, fittings & equipment	7 years
Motor vehicles	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. Land and buildings are valued using valuations provided by the ESFA where available. Otherwise they are valued using information provided by the Local Authority.

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

1.7 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 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.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

Stock comprises of uniform stock, musical instruments, catering stocks and other incidental items. Stocks are valued at the lower of cost and net realisable value.

1.11 Taxation

The 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions benefits

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

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

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.13 Fund accounting

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

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the 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 the notes to the accounts.

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

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note note36, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

McCloud:

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £125,000 as at 31 August 2019.

GMP:

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.1% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £10,000 as at 31 August 2019.

Land and buildings

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	968,154	968,154	318,900
Other donations	14,790	-	14,790	1,126
	<u>14,790</u>	<u>968,154</u>	<u>982,944</u>	<u>320,026</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	9,022,322	9,022,322	7,461,922
Start up grants	-	25,000	25,000	-
Other DfE group grants	-	784,495	784,495	442,117
	-	9,831,817	9,831,817	7,904,039
Other government grants				
Local authority grants	-	508,891	508,891	353,721
Other funding				
Pupil catering income	358,691	-	358,691	312,711
Other incoming resources	76,773	-	76,773	-
	435,464	-	435,464	312,711
Total funding	435,464	10,340,708	10,776,172	8,570,471

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
GoSport and other lettings	113,180	-	113,180	98,973
Staff and visitors catering income	8,636	-	8,636	7,172
GoMusic	50,744	-	50,744	47,195
School trips	307,822	-	307,822	208,865
Other income	286,924	-	286,924	201,936
	767,306	-	767,306	564,141

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	4,479	-	4,479	4,143

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	120,819	-	824,412	945,231	611,354
Academy's educational operations					
- Direct costs	7,497,169	-	484,832	7,982,001	6,655,308
- Allocated support costs	1,573,533	944,935	728,421	3,246,889	2,395,696
	<u>9,191,521</u>	<u>944,935</u>	<u>2,037,665</u>	<u>12,174,121</u>	<u>9,662,358</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	8,750	7,750
- Other services	7,650	5,800
Operating lease rentals	150,621	121,339
Depreciation of tangible fixed assets	425,672	383,996
Net interest on defined benefit pension liability	34,000	38,000

8 Central services

The Trust provides or arranges the following services to its academies during the year:

- Leadership and governance
- Educational standards
- Financial services
- ICT advice and technical support
- Audit

The trust charges for these services on the following basis:

Contributions are based on total costs incurred by the central function as a percentage of pupil numbers per school.

In addition to this, Layfield Primary and Levensdale Primary School have contributed an amount equivalent to Start up grants received, less expenditure paid by the Local Authority from the grant.

The amounts charged during the year were as follows:

	2019 £	2018 £
Conyers School	64,034	62,000
Bader Primary School	20,813	37,000
Kirklevington Primary School	5,477	17,000
Layfield Primary School	27,959	-
Levensdale Primary School	23,650	-
	<u>141,933</u>	<u>116,000</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	50,989	7,931,012	7,982,001	6,655,308
Support costs				
Educational operations	361,430	2,885,459	3,246,889	2,395,696
	<u>412,419</u>	<u>10,816,471</u>	<u>11,228,890</u>	<u>9,051,004</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	1,638,483	1,212,478
Depreciation	425,672	383,996
Premises costs	519,263	428,684
Other support costs	516,724	317,832
Governance costs	146,747	52,706
	<u>3,246,889</u>	<u>2,395,696</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	6,942,638	5,537,182
Social security costs	636,124	518,965
Pension costs	1,454,638	1,060,930
Amounts paid to employees	<u>9,033,400</u>	<u>7,117,077</u>
Agency staff costs	158,121	235,111
Amounts paid to staff	<u>9,191,521</u>	<u>7,352,188</u>
Staff development and other staff costs	139,113	47,530
Total staff expenditure	<u>9,330,634</u>	<u>7,399,718</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	169	126
Administration and support	129	130
Management	12	11
	<u>310</u>	<u>267</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>5</u>	<u>3</u>

Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the trust was £869,692 (2018: £371,494).

Benefits have increased in year in line with the growth of the Trust and the number of personnel recognised as key management.

11 Trustees' remuneration and expenses

None of the trustees have been paid remuneration or have received other benefits from an employment with the trust.

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

12 Trustees and officers insurance

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

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13	Tangible fixed assets	Leasehold land and buildings	All weather pitches	Leasehold improvements	Asset under construction	Office equipment	Fixtures, fittings & equipment	Motor vehicles	Total
		£	£	£	£	£	£	£	£
	Cost								
	At 1 September 2018	15,305,437	203,652	472,228	-	167,539	991,024	25,900	17,165,780
	Transfer on conversion	2,070,328	-	-	-	-	-	-	2,070,328
	Additions	-	-	120,961	342,469	55,177	-	-	518,607
	Other movements	264,563	-	-	-	-	-	-	264,563
	At 31 August 2019	17,640,328	203,652	593,189	342,469	222,716	991,024	25,900	20,019,278
	Depreciation								
	At 1 September 2018	1,145,387	100,129	6,286	-	158,468	581,295	25,900	2,017,465
	Other movements	575	-	-	-	-	-	-	575
	Charge for the year	259,531	20,365	11,864	-	5,231	128,681	-	425,672
	At 31 August 2019	1,405,493	120,494	18,150	-	163,699	709,976	25,900	2,443,712
	Net book value								
	At 31 August 2019	16,234,835	83,158	575,039	342,469	59,017	281,048	-	17,575,566
	At 31 August 2018	14,160,050	103,523	465,942	-	9,071	409,729	-	15,148,315

During the year leasehold land and buildings were acquired by the trust on the introduction of two academies. The assets were valued on the transfer value provided by the Local Authority.

Other movements comprise an uplift to the value at which land and buildings were recognised in 2018 following the receipt of ESFA valuations during the current financial year.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14	Stocks	2019	2018
		£	£
	School uniform	15,251	16,286
	Catering stock	2,974	920
	Other stock	26,692	27,921
		<u>44,917</u>	<u>45,127</u>
15	Debtors	2019	2018
		£	£
	Trade debtors	4,886	9,873
	VAT recoverable	63,888	51,227
	Other debtors	1,087	1,394
	Prepayments and accrued income	922,157	377,704
		<u>992,018</u>	<u>440,198</u>
16	Creditors: amounts falling due within one year	2019	2018
		£	£
	Other loans	1,250	1,250
	Trade creditors	200,143	85,524
	Other taxation and social security	161,290	133,093
	Other creditors	166,485	123,758
	Accruals and deferred income	707,783	382,869
		<u>1,236,951</u>	<u>726,494</u>
17	Creditors: amounts falling due after more than one year	2019	2018
		£	£
	Other loans	<u>25,625</u>	<u>6,875</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

	(Continued)	
	2019	2018
17 Creditors: amounts falling due after more than one year		
Analysis of loans		
Not wholly repayable within five years by instalments	26,875	8,125
Less: included in current liabilities	(1,250)	(1,250)
	<u>25,625</u>	<u>6,875</u>
Amounts included above	25,625	6,875
	<u>8,125</u>	<u>1,875</u>
Instalments not due within five years	8,125	1,875
	<u>26,875</u>	<u>8,125</u>
Loan maturity		
Debt due in one year or less	3,750	1,250
Due in more than one year but not more than two years	3,750	1,250
Due in more than two years but not more than five years	11,250	3,750
Due in more than five years	8,125	1,875
	<u>26,875</u>	<u>8,125</u>
18 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	224,297	201,102
	<u>224,297</u>	<u>201,102</u>
Deferred income at 1 September 2018	201,102	138,053
Released from previous years	(201,102)	(138,053)
Resources deferred in the year	224,297	201,102
	<u>224,297</u>	<u>201,102</u>
Deferred income at 31 August 2019	224,297	201,102

At the balance sheet date the school was holding funds received in advance for universal infant free school meals, rates relief, catering services, trips and educational support.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	290,139	9,022,322	(8,641,763)	-	670,698
Start up grants	-	25,000	-	-	25,000
Other DfE / ESFA grants	20,000	784,495	(804,495)	-	-
Other government grants	-	508,891	(508,891)	-	-
Other restricted funds	-	41,650	(41,650)	-	-
Pension reserve	(1,399,000)	114,000	(394,000)	(1,278,000)	(2,957,000)
	<u>(1,088,861)</u>	<u>10,496,358</u>	<u>(10,390,799)</u>	<u>(1,278,000)</u>	<u>(2,261,302)</u>
Restricted fixed asset funds					
Inherited on conversion	14,232,386	2,070,328	(279,439)	263,988	16,287,263
DfE group capital grants	1,037,123	968,154	(135,243)	-	1,870,034
Capital expenditure from GAG	69,053	-	(10,990)	-	58,063
	<u>15,338,562</u>	<u>3,038,482</u>	<u>(425,672)</u>	<u>263,988</u>	<u>18,215,360</u>
Total restricted funds	<u>14,249,701</u>	<u>13,534,840</u>	<u>(10,816,471)</u>	<u>(1,014,012)</u>	<u>15,954,058</u>
Unrestricted funds					
General funds	492,539	1,350,656	(1,357,650)	(20,000)	465,545
GoSport	120,000	-	-	20,000	140,000
Catering	10,000	-	-	-	10,000
	<u>622,539</u>	<u>1,350,656</u>	<u>(1,357,650)</u>	<u>-</u>	<u>615,545</u>
Total funds	<u>14,872,240</u>	<u>14,885,496</u>	<u>(12,174,121)</u>	<u>(1,014,012)</u>	<u>16,569,603</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the school. Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

A start up grant was received from the ESFA in the year on conversion of Bewley Primary School into academy status. The full grant is carried forward at 31 August 2019.

Other DfE/ESFA grants include teachers pay grant, pupil premium, Year 7 catchup income, PE and sports grant and Universal Infant Free School Meals income.

Other government grants comprise SEN funding for pupils with special educational needs and early years funding.

Other restricted funds comprise start up grants received from converter schools.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The inherited fixed asset fund reflects the fixed assets acquired from Stockton-on-Tees Borough Council on conversion. Depreciation on these assets is charged against this fund. During the year an adjustment was made for an uplift to the value at which land and buildings were recognised on conversion in 2018 following receipt of EFSA valuations amounting to £263,988.

DfE/ESFA capital grants received in year consist of devolved capital grants of £153,603 received in year which have been received for expenditure on acquisition and maintenance of fixed assets. At the balance sheet date £167,712 remains unspent from the devolved capital grants, this will be utilised on capital and maintenance in the new academic year.

The trust was awarded £814,551 Condition Improvement Fund income for roof refurbishments at two schools in year. £472,082 of CIF monies is carried forward to utilise against project costs arising in 2019/20.

Unrestricted funds can be used for any purpose at the discretion of the Trust, within its objectives.

Unrestricted funds include £140,000 (2018: £120,000) which the Trust has earmarked for the GoSport carpet fund and £10,000 (2018: £10,000) earmarked for replacement of catering equipment.

The school's restricted general and unrestricted funds were £1,311,243 at 31 August 2019.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	268,368	7,461,922	(7,463,101)	22,950	290,139
Other DfE / ESFA grants	-	442,117	(422,117)	-	20,000
Other government grants	-	353,721	(353,721)	-	-
Other restricted funds	-	43,000	(43,000)	-	-
Pension reserve	(1,569,000)	(84,000)	(247,000)	501,000	(1,399,000)
	<u>(1,300,632)</u>	<u>8,216,760</u>	<u>(8,528,939)</u>	<u>523,950</u>	<u>(1,088,861)</u>
Restricted fixed asset funds					
Inherited on conversion	12,521,051	1,968,060	(234,102)	(22,623)	14,232,386
DfE group capital grants	859,646	318,900	(141,096)	(327)	1,037,123
Capital expenditure from GAG	77,851	-	(8,798)	-	69,053
	<u>13,458,548</u>	<u>2,286,960</u>	<u>(383,996)</u>	<u>(22,950)</u>	<u>15,338,562</u>
Total restricted funds	<u>12,157,916</u>	<u>10,503,720</u>	<u>(8,912,935)</u>	<u>501,000</u>	<u>14,249,701</u>
Unrestricted funds					
General funds	239,231	1,022,731	(749,423)	(20,000)	492,539
GoSport	100,000	-	-	20,000	120,000
Catering	10,000	-	-	-	10,000
	<u>349,231</u>	<u>1,022,731</u>	<u>(749,423)</u>	<u>-</u>	<u>622,539</u>
Total funds	<u>12,507,147</u>	<u>11,526,451</u>	<u>(9,662,358)</u>	<u>501,000</u>	<u>14,872,240</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Conyers School	717,386	659,007
Bader Primary School	206,551	73,306
Kirklevington Primary School	144,416	133,365
Layfield Primary School	84,600	-
Levendale Primary School	57,873	-
Central services	100,417	67,000
	<u>1,311,243</u>	<u>932,678</u>
Total before fixed assets fund and pension reserve	1,311,243	932,678
Restricted fixed asset fund	18,215,360	15,338,562
Pension reserve	(2,957,000)	(1,399,000)
	<u>16,569,603</u>	<u>14,872,240</u>
Total funds	<u><u>16,569,603</u></u>	<u><u>14,872,240</u></u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Conyers School	4,970,634	872,470	275,310	1,313,464	7,431,878	7,077,082
Bader Primary School	1,254,936	144,595	72,711	379,745	1,851,987	1,758,361
Kirklevington Primary School	457,648	56,464	29,613	130,919	674,644	146,919
Layfield Primary School	662,948	101,252	11,128	182,378	957,706	-
Levendale Primary School	271,819	38,750	10,884	57,488	378,941	-
Central services	-	-	11,023	48,265	59,288	49,000
	<u>7,617,985</u>	<u>1,213,531</u>	<u>410,669</u>	<u>2,112,259</u>	<u>11,354,444</u>	<u>9,031,362</u>
	<u><u>7,617,985</u></u>	<u><u>1,213,531</u></u>	<u><u>410,669</u></u>	<u><u>2,112,259</u></u>	<u><u>11,354,444</u></u>	<u><u>9,031,362</u></u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	17,575,566	17,575,566
Current assets	813,825	1,418,259	981,529	3,213,613
Creditors falling due within one year	(198,280)	(722,561)	(316,110)	(1,236,951)
Creditors falling due after one year	-	-	(25,625)	(25,625)
Defined benefit pension liability	-	(2,957,000)	-	(2,957,000)
Total net assets	615,545	(2,261,302)	18,215,360	16,569,603

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	15,148,315	15,148,315
Current assets	689,708	969,772	196,814	1,856,294
Creditors falling due within one year	(67,169)	(652,758)	(6,567)	(726,494)
Creditors falling due after one year	-	(6,875)	-	(6,875)
Defined benefit pension liability	-	(1,399,000)	-	(1,399,000)
Total net assets	622,539	(1,088,861)	15,338,562	14,872,240

21 Pension and similar obligations

The 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 Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £145,140 (2018: £116,120) were payable to the schemes at 31 August 2019 and are included within creditors.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation was to align its introduction with employers' budget planning cycles. Until then, employers paid the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

The employer's pension costs paid to the TPS in the period amounted to £785,132 (2018: £631,647).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.6% for employers and 5.5% - 12.5% for employees.

As described in note 29 the LGPS obligation relates to the employees of the trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the trust at the balance sheet date.

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

Total contributions made	2019	2018
	£	£
Employer's contributions	298,000	232,000
Employees' contributions	104,000	79,000
Total contributions	<u>402,000</u>	<u>311,000</u>
Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	3.1	3.1
Rate of increase for pensions in payment/inflation	2.1	2.1
Discount rate for scheme liabilities	<u>1.8</u>	<u>2.8</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	23.8	25.0
Retiring in 20 years		
- Males	23.6	25.1
- Females	25.7	27.3

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

	2019 £	2018 £
Discount rate + 0.1%	9,497,000	6,260,000
Discount rate - 0.1%	9,873,000	6,508,000
Mortality assumption + 1 year	9,350,000	6,197,000
Mortality assumption - 1 year	10,020,000	6,570,000
CPI rate + 0.1%	9,811,000	6,468,000
CPI rate - 0.1%	9,557,000	6,299,000

The trust's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	5,138,664	3,638,320
Cash	854,202	897,120
Property	564,984	383,768
Other assets	168,150	64,792
Total market value of assets	6,726,000	4,984,000

The actual return on scheme assets was £251,000 (2018: £245,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	523,000	419,000
Past service cost	135,000	22,000
Interest income	(165,000)	(108,000)
Interest cost	199,000	146,000
Total operating charge	692,000	479,000

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2019	2018
	£	£
At 1 September 2018	6,383,000	5,174,000
Obligations acquired on conversion	1,129,000	917,000
Current service cost	523,000	419,000
Interest cost	199,000	146,000
Employee contributions	104,000	79,000
Actuarial loss/(gain)	1,364,000	(364,000)
Benefits paid	(154,000)	(10,000)
Past service cost	135,000	22,000
	<u>9,683,000</u>	<u>6,383,000</u>
	<u>9,683,000</u>	<u>6,383,000</u>
Changes in the fair value of the trust's share of scheme assets	2019	2018
	£	£
At 1 September 2018	4,984,000	3,605,000
Assets acquired on conversion	1,243,000	833,000
Interest income	165,000	108,000
Actuarial gain	86,000	137,000
Employer contributions	298,000	232,000
Employee contributions	104,000	79,000
Benefits paid	(154,000)	(10,000)
	<u>6,726,000</u>	<u>4,984,000</u>
	<u>6,726,000</u>	<u>4,984,000</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	2,711,375	1,864,092
Adjusted for:		
Net surplus on conversion to academy	(2,354,595)	(2,067,670)
Capital grants from DfE and other capital income	(968,154)	(318,900)
Investment income receivable	(4,479)	(4,143)
Defined benefit pension costs less contributions payable	360,000	209,000
Defined benefit pension scheme finance cost	34,000	38,000
Depreciation of tangible fixed assets	425,672	383,996
Decrease in stocks	210	564
(Increase) in debtors	(551,820)	(294,912)
Increase in creditors	510,457	312,098
Net cash provided by operating activities	162,666	122,125

23 Commitments under operating leases

At 31 August 2019 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	115,397	118,148
Amounts due in two and five years	55,663	87,513
	171,060	205,661

24 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	411,336	142,905

25 Related party transactions

Owing to the nature of the trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the financial period.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

26 Post balance sheet events

After the year end, the following school converted to academy trust status and joined The 1590 Trust.

No information is available at this point in relation to the total value being transferred into the Trust on conversion.

Academy	Location	Date of conversion
Bewley Primary School	Billingham	1 September 2019

27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

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 2019 the trust brought forward unspent bursary of £4,659, received £15,480 and disbursed £20,139 from the fund. An amount of £nil is included in other creditors relating to undistributed funds carried forward to the next academic year.

29 Conversion to an academy

On 1 September 2018 the Layfield Primary School and on 1 April 2019 the Levendale Primary School both converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The 1590 Trust from the Stockton-on-Tees Local Authority for £nil consideration.

The transfers have been accounted for as combinations that are in substance gifts. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Layfield Primary School	Yarm	1 September 2018
Levendale Primary School	Yarm	1 April 2019

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

29 Conversion to an academy

(Continued)

	2019
	£
Net assets transferred:	
Leasehold land and buildings	2,070,328
Cash	170,267
Pension scheme surplus	114,000
	<u>2,354,595</u>

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	2,070,328	2,070,328
LA budget funds	128,617	-	-	128,617
LGPS pension funds	-	114,000	-	114,000
Other funds	-	41,650	-	41,650
	<u>128,617</u>	<u>155,650</u>	<u>2,070,328</u>	<u>2,354,595</u>