

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 2020

THE 1590 TRUST

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THE 1590 TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs P Brooks
Ms F Johnson
Mr M Maggiore
Rev J Ford (Resigned 31 August 2020)
Mrs S Blake (Resigned November 2019)

Trustees

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

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 (to 31 August 2020)
- 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
- Headteacher Bewley Primary	Mrs M Carlton
- Deputy Headteacher Bewley Primary	Mrs P Duncan

Company secretary

Mr J McCann

Company registration number

08366005 (England and Wales)

Registered office

Green Lane
Yarm
Stockton on Tees
TS15 9ET

Academies operated

Conyers School
Bader Primary School
Kirklevington Primary School
Layfield Primary School
Levendale Primary School
Bewley Primary School

Location

Yarm
Thornaby
Yarm
Yarm
Yarm
Billingham

Headteacher

Mrs L Spellman
Mr D Hodgson
Mrs M Carlton
Mrs H Owen
Dr R Beadnall
Mrs M Carlton

THE 1590 TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
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 2020

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. 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 six schools serving some 2,700 pupils and employing around 370 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 1,300. 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. A sixth school (Bewley Primary in Billingham) joined the Trust on 1st Sept 2019 with 445 pupils. All pupil numbers are based on the October 2019 census and it should be noted that nursery numbers rise during the year.

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 2020. 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 and the same arrangement was introduced in December 2019 for Layfield Primary school. Bewley, Kirklevington 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 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 Governing Body)

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 2020

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. The trust plans to recruit additional members and trustees in 2020/21.

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 restructured in July 2019 after a review of Trust effectiveness. The Trust meeting cycle has been streamlined for 2019/20. It moved to monthly Board meetings, with specific meetings designated as Audit and Finance meetings. It has an annual Forward Plan to manage its workload and decision making. The Trust provides the strategic direction and oversight for the Multi Academy Trust.

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

A new School Improvement Committee was set up for 2019/20. It has an independent chair and a remit to oversee educational performance and direct the work of local governing bodies to drive school improvement.

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.

In December 2019, the Trust determined to put in place a Trust Oversight Board for Layfield primary school, following a dip in educational achievement. The governing body is working closely with the Trust board with decision making powers held by the Layfield Oversight Board.

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 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

A similar arrangement is in place for Bewley, Kirklevington and Levensdale 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.

When Covid19 broke out, the Trust moved its meetings online. Only meetings in March were lost. Trustees and Governors have therefore been able to continue to exercise their responsibilities despite the disruption.

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 2020

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,
2. To promote for the benefit of inhabitants of the areas in which the Academies are situated the provision

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

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

This section of the Trustees report normally sets out each schools' educational achievements. For 2020 the Trust has no educational results to benchmark performance upon. Many other broader activities such as school trips, performances and concerts have had to be cancelled. For this year, the focus will therefore be on the corporate and setting out the impact of the Covid19 outbreak.

The 1590 Trust

The Trust finished its planned expansion during 2019 when Bewley Primary School joined 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 Trust commissioned an external review of its support services in Sept 2019. This reported back in January 2020 and the action plan was approved by Trustees. The outbreak of Covid19 delayed implementation but by the end of 2020 the key recommendations were put into effect:

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- * MAT corporate services (HR, IT and Finance) were split out from Conyers school
- * the finance function was reviewed, processes streamlined and a new post introduced
- * a new HR manager was appointed, to strengthen capacity
- * a new governance post was added to better support the Trust senior management team.

The new structure came into force from 1 September 2020.

The Impact of Covid19 on the Trust

Educational

The Trust, along with all other schools, had to send the majority of its pupils and staff home on the 20th March 2020. The Trust immediately enacted its business continuity plan and worked closely with Stockton Council to ensure the safety and wellbeing of its school communities. All the Trust schools remained open throughout the lockdown period, to cater for key worker children and vulnerable students.

At Conyers, a virtual school was opened on 23rd March and the full timetable was delivered remotely, using the school lpad for learning infrastructure. A high level of student engagement was maintained and the few students not signing in, were contacted by the school. From 1st June, the Primary schools extended their onsite provision to reception, years 1 and 6, within the limitations of the national guidance. The Trust has learnt from the experience and strengthened its capacity to support remote learning in its primary schools.

The national lockdown meant exams and SATs were cancelled for each school. The national failure of the results process caused some upset and concern within Conyers school in August 2020. The A level and GCSE students were ultimately awarded results based upon the assessment of the teaching staff, which had been through a rigorous moderation exercise within the school. Conyers was able to effectively support students by a strong focus on achieving satisfactory 'next destinations'.

To ensure high standards are maintained, the Trust's School Improvement Committee will focus on how each school will address any learning gaps arising from Covid19 and reset plans for 2021.

Community

The Covid19 lockdown did impact on the post school or community based provision. This both reduced the wider services provided to the local community, such as sports facilities but also reduced the Trust's 'unrestricted' funds, where the schools run additional income raising activities:

- Go Sports and Go music community provision stopped between March and July
- Conyers Catering lost all its income for over a third of the year
- After school clubs and lettings all ceased with loss of associated income until September.

These impacts and the actions taken are dealt with in more detail in the Financial Review and in the Accounts.

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.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 delivered a revenue surplus during 2019/20.

The out turn for the Trust in 2019/20 was a surplus of £212k (£208k in 2018/19) excluding movements in the restricted fixed asset fund, pension reserve and assets donated on conversion of an acquired school. 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 £12.6m 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 £17.7m (£14.9m in 2018/19).

Overall costs, including depreciation and LGPS pension costs, amounted to £15.6m (£12.1m 2018/19) resulting in a notional in year surplus of £2.1m (£2.7m in 2018/19).

The Trust was successful in securing four Condition Improvement Fund projects from the ESFA in June 2020, of £811,000, including £716,000 of grant. However the late notification of these projects by the ESFA and the impact of Covid19 on contractors, meant these projects have all had to be deferred in full into 2020/21. The CIF funds have not been recognised in the financial statements on the basis of Covid uncertainties.

The Trust held fund balances at 31 August 2020 of £16.9m (£16.6m in 2018/19) comprising £0.71m restricted funds, £0.96m unrestricted funds, £22.03m of restricted fixed assets funds and a pension reserve deficit of £6.8m.

The calculated LGPS liability was £6.8m as at 31 August 2020, compared to the liability as at 31 August 2019 of £3.0m. The closing deficit includes the deficit 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	2020	2019	2018	2017
Total staff costs / DfE and ESFA grants	92.7%	89.8%	90.4%	92.0%
Total staff costs / Total Revenue income	81.2%	76.5%	78.1%	78.8%
Total Reserves	£16.94m	£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 £959,528 (2019: £615,545).

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 there is no risk to the loss of these cash funds. Interest rates have collapsed this year meaning returns have declined significantly. At 31 August 2020 £200,000 was deposited in saving accounts.

Principal risks and uncertainties

The principal financial risks the Trust faces are the impact of Covid19 on other school income, 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 'Free School' built in the catchment area of Conyers had an initial, one year adverse effect on student numbers. The resulting small year group continues to have an impact on funding until that 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 student numbers since 2017, reflected in above PAN entry at Conyers school in 2018 and 2019 and a full intake in Sept 2020.

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 2020.

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 2019/20 resulting in a notional deficit of £6,764,000 due to the addition of the Bewley pension deficit and general adjustments to actuarial assumptions at the balance sheet date.

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, delivered by the external auditor. Key financial and governance systems are reviewed and a report presented to trustees on the findings.

The Trust examine the financial health of the schools at each meeting of the Audit and 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.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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. A variety of small scales collections, events and activities, such as buy a brick, were 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.

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. Consultation with staff has continued to be a key part of the Covid19 response.

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.

Streamlined energy and carbon reporting

The 1590 Trust is a large company and meets the criteria for the production of a Streamlined Energy and Carbon Report. This report needs to show:

- its energy use and emissions
- an emissions intensity ratio
- methodologies used in the calculations
- measures taken to improve energy efficiency in the period

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	1,915,449	
- Electricity purchased	702,658	
	<hr/>	<hr/>
		2,618,107
		<hr/>
		<hr/>
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	352,194.00	
- Fuel consumed for owned transport	-	
	<hr/>	<hr/>
		352,194.00
Scope 2 - indirect emissions		
- Electricity purchased		163,818.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the trust		-
		<hr/>
		<hr/>
Total gross emissions		516,012.00
		<hr/>
		<hr/>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		139.21
		<hr/>
		<hr/>

Note 1. As part of the NEPO contract with EDF all of our properties are supplied from EDF Zero carbon 'Blue' option which is backed by nuclear generation. (Stockton Energy Unit)

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector. We have also provided total energy use (in kilowatt hours –KwH) per pupil.

Measures taken to improve energy efficiency

We have improved the roofing insulation at Bader, Conyers and Kirklevington school which will reduce energy consumption. We have upgraded lighting at Kirklevington to LED and have plans to roll out an LED lighting replacement programme to other schools in the Trust. We employ a third party to advise on energy efficiency (Stockton Energy Unit) and through them use the NEPO energy contracts which include energy efficiency and carbon reduction criteria eg the zero carbon blue tariff.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 worked with Stockton Council to build a school hall during 2020. 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.

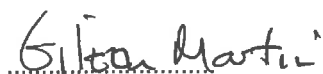
Auditor

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 Azets 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 ~~16/12/20~~ and signed on its behalf by:



Ms F A Johnson

Chair

PROF. E-MARTIN

THE 1590 TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020/21. 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 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, any lessons from the Covid19 and the guidance set out in the DfE Governance Handbook, in June 2021.

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 eight times during the year and one meeting was cancelled due to Covid19. 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)	8	8
Mr C P Beaumont	8	8
Professor E Martin (Vice-Chair)	8	8
Mrs S Jones	6	8
Dr R Smith	7	8
Mr J Carter	7	8
Mrs M R Lowbridge	6	8
Mrs J Coleman (Resigned 31 October 2019)	2	2

Audit and Finance Committee

Audit and finance matters are considered by the full trust board. When audit and finance are the main items on the trust agenda Mr C P Beaumont, a qualified accountant, chairs the meeting. The financial documents produced by the Director of Finance and Operations for all trust board meetings are discussed in more detail at these meetings. These documents include financial summaries for each school, unrestricted funds, curriculum cost centres, Go Sport, Go Music and catering. Capital budget and financial policies are also agreed by the board.

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

Trustees	Meetings attended	Out of possible
Ms F A Johnson (Chair)	4	4
Mrs B Oxlee (Chair of Governing Body - Appointed Jan 2019)	3	4
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

Layfield Oversight Board

The Layfield Oversight Board was created in November 2019. It discharges the role of a local governing body, taking all formal decisions related to the operation of Layfield Primary School. The Layfield Governing Body works in liaison with the Layfield Oversight Board, but has no delegated powers.

Trustees	Meetings attended	Out of possible
Dr R Smith - Chair (Trustee)	2	2
Mrs S Jones (Trustee)	2	2
Mrs R Lowbridge (Trustee)	2	2
Mrs C Moore (Governor)	2	2
Mrs E Laidler (Governor)	2	2
Mrs L Spellman (Chief Executive)	2	2
Mrs H Owen (Headteacher)	2	2

Trust School Improvement Committee

The School Improvement Committee met twice. It has the role of developing a clear trust-wide school improvement model, so that schools are clear about expectations of them and also what they can expect in terms of support from the trust. It also ensures trust leaders have a consistent view of the best way to improve standards.

Trustees	Meetings attended	Out of possible
Ms D McConnell (Independent Chair)	2	2
Mr K Morrison (School Improvement Adviser)	1	2
Mr J McCann (Director of Finance & Operations)	2	2
Mrs L Spellman (Chief Executive)	2	2
Dr R Smith (Trustee)	2	2
Mrs S Jones (Trustee)	2	2
Mr J Downs (Director of Standards)	2	2

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 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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:

- Updating the 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
- The updated three year ICT programme, with a new arrangement between the principal supplier and the Trust in house team, with all the Trust schools moving into the new contract which is generating savings.
- An external review of Trust support staff functions, using a SRMA accredited company, identified efficiencies in working but also that the overall cost of support services compared to similar Trusts was low. Implementation was delayed by Covid19 but is coming into effect from Sept 2020.
- Reviewing the senior management team and introducing an Executive Head for Bewley and Kirklevington Primary schools.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. Trustees reviewed and updated the risk register 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:

- Monthly management accounts reviewed by Trustees and oversight of major purchase plans, capital works and expenditure programmes;
- Comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the trust's finance committee
- 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 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Azets 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 creditor and debtor aged listings
- Review Management reports to Trustees
- Reviewed the arrangements for accounting for pupil premium and other individual pupil based income
- Ensure bank reconciliations have been carried out
- Review all purchases and contracts of a high value
- Review fixed asset register including depreciation
- Review minutes of Finance Meetings and review Risk Register
- Reviewed the use of census data, which informs the GAG allocation was complete and accurate

The assurance audit was deferred from March 2020 to September 2020 due to Covid19. It included visits to the primary schools and the Go team. The report was presented to the Trustees in October 2020. No significant risks were identified by the work.

Due to the changes in the Academies Financial Handbook, a separate provider of internal assurance services will be appointed for 2020/21.

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 16/12/20 and signed on its behalf by:

~~Ms F A Johnson~~
Chair

Gillian Martin[^]

PROF. E. MARTIN

Mrs L Spellman
Accounting Officer



THE 1590 TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

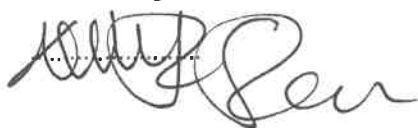
FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of The 1590 Trust, I have considered my responsibility to notify the trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the 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 2019.

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 2019.

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



16/12/20

THE 1590 TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 on16/12/20..... and signed on its behalf by:

~~Ms F.A Johnson~~
Chair

Gilan Martin

Prof. E. MARTIN

THE 1590 TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE 1590 TRUST FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of The 1590 Trust for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 2020

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 Azets Audit Services**

21 December 2020

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

THE 1590 TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: *21 December 2020*

THE 1590 TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	25	-	1,322,834	1,322,859	982,944
Donations - transfer from local authority on conversion	29	145,229	(1,406,000)	3,218,060	1,957,289	2,354,595
Charitable activities:						
- Funding for educational operations	4	357,052	13,482,513	-	13,839,565	10,776,172
Other trading activities	5	539,673	-	-	539,673	767,306
Investments	6	9,930	-	-	9,930	4,479
Total		1,051,909	12,076,513	4,540,894	17,669,316	14,885,496
Expenditure on:						
Raising funds	7	410,234	12,657	-	422,891	945,231
Charitable activities:						
- Educational operations	9	297,692	14,148,270	720,998	15,166,960	11,228,890
Total	7	707,926	14,160,927	720,998	15,589,851	12,174,121
Net income/(expenditure)		343,983	(2,084,414)	3,819,896	2,079,465	2,711,375
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(1,709,000)	-	(1,709,000)	(1,278,000)
Revaluation of fixed assets	13	-	-	-	-	263,988
Net movement in funds		343,983	(3,793,414)	3,819,896	370,465	1,697,363
Reconciliation of funds						
Total funds brought forward		615,545	(2,261,302)	18,215,360	16,569,603	14,872,240
Total funds carried forward		959,528	(6,054,716)	22,035,256	16,940,068	16,569,603

THE 1590 TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2019 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	14,790	-	968,154	982,944
Donations - transfer from local authority on conversion	29	128,617	155,650	2,070,328	2,354,595
Charitable activities:					
- Funding for educational operations	4	435,464	10,340,708	-	10,776,172
Other trading activities	5	767,306	-	-	767,306
Investments	6	4,479	-	-	4,479
Total		<u>1,350,656</u>	<u>10,496,358</u>	<u>3,038,482</u>	<u>14,885,496</u>
Expenditure on:					
Raising funds	7	945,231	-	-	945,231
Charitable activities:					
- Educational operations	9	412,419	10,390,799	425,672	11,228,890
Total	7	<u>1,357,650</u>	<u>10,390,799</u>	<u>425,672</u>	<u>12,174,121</u>
Net income/(expenditure)		(6,994)	105,559	2,612,810	2,711,375
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(1,278,000)	-	(1,278,000)
Revaluation of fixed assets	13	-	-	263,988	263,988
Net movement in funds		(6,994)	(1,172,441)	2,876,798	1,697,363
Reconciliation of funds					
Total funds brought forward		622,539	(1,088,861)	15,338,562	14,872,240
Total funds carried forward		<u>615,545</u>	<u>(2,261,302)</u>	<u>18,215,360</u>	<u>16,569,603</u>

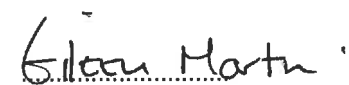
THE 1590 TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		21,931,420		17,575,566
Current assets					
Stocks	14	35,927		44,917	
Debtors	15	335,609		992,018	
Cash at bank and in hand		2,578,306		2,176,678	
		<u>2,949,842</u>		<u>3,213,613</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,153,949)		(1,236,951)	
Net current assets			1,795,893		1,976,662
Total assets less current liabilities			<u>23,727,313</u>		<u>19,552,228</u>
Creditors: amounts falling due after more than one year	17		(23,245)		(25,625)
Net assets before defined benefit pension scheme liability			<u>23,704,068</u>		<u>19,526,603</u>
Defined benefit pension scheme liability	21		(6,764,000)		(2,957,000)
Total net assets			<u><u>16,940,068</u></u>		<u><u>16,569,603</u></u>
Funds of the trust:					
Restricted funds	19				
- Fixed asset funds			22,035,256		18,215,360
- Restricted income funds			709,284		695,698
- Pension reserve			(6,764,000)		(2,957,000)
Total restricted funds			<u>15,980,540</u>		<u>15,954,058</u>
Unrestricted income funds	19		959,528		615,545
Total funds			<u><u>16,940,068</u></u>		<u><u>16,569,603</u></u>

The accounts on pages 24 to 52 were approved by the trustees and authorised for issue on 16/12/20..... and are signed on their behalf by:



Ms E.A. Johnson

Chair

PROF. E. MARTIN

Company Number 08366005

THE 1590 TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22	783,677		162,666	
Cash funds transferred on conversion		145,229		170,267	
		<u>928,906</u>		<u>332,933</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		9,930		4,479	
Capital grants from DfE Group		95,982		968,154	
Capital funding received from sponsors and others		123,610		-	
Purchase of tangible fixed assets		(755,550)		(518,607)	
		<u>(526,028)</u>		<u>454,026</u>	
Cash flows from financing activities					
New other loan		-		20,000	
Repayment of other loan		(1,250)		(1,250)	
		<u>(1,250)</u>		<u>18,750</u>	
Net increase in cash and cash equivalents in the reporting period					
		401,628		805,709	
Cash and cash equivalents at beginning of the year					
		2,176,678		1,370,969	
Cash and cash equivalents at end of the year					
		<u>2,578,306</u>		<u>2,176,678</u>	
Relating to:					
Bank and cash balances		2,378,306		1,176,678	
Short term deposits		200,000		1,000,000	

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 Bewley 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 2020

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 on conversion

Where assets and liabilities are received by the trust on conversion to an academy, 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 on conversion 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 2020

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
Leasehold land	over the period of the lease
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.

Historically the trust has depreciated land held under long term leases at 0% per annum. The trust has now changed its estimation technique and will be depreciating the land over the length of the lease.

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.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 or services it must provide.

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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 2020

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

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. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

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 2020 £	Total 2019 £
Donated fixed assets	-	1,103,242	1,103,242	-
Capital grants	-	95,982	95,982	968,154
Other donations	25	123,610	123,635	14,790
	<u>25</u>	<u>1,322,834</u>	<u>1,322,859</u>	<u>982,944</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	11,125,116	11,125,116	9,022,322
Start up grants	-	-	-	25,000
Other DfE group grants	-	1,482,618	1,482,618	784,495
	-	12,607,734	12,607,734	9,831,817
Other government grants				
Local authority grants	-	832,367	832,367	508,891
Exceptional government funding				
Coronavirus job retention scheme grant	-	42,412	42,412	-
Other funding				
Pupil catering income	274,644	-	274,644	358,691
Other incoming resources	82,408	-	82,408	76,773
	357,052	-	357,052	435,464
Total funding	357,052	13,482,513	13,839,565	10,776,172

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy trust furloughed some of its catering and leisure facilities staff under the Government's CJRS. The funding received of £42,412 relates to staff costs in respect of catering and leisure facilities staff which are included within note 10 below as appropriate.

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil Premium	611,316	523,293
Year 7 Catch Up Grant	11,728	11,393
PE Sports Grant	90,440	60,679
Universal Infant Free School Meals	135,544	89,696
FSM Supplementary Grant	35,200	14,960
Teachers Pension Grant	441,976	-
Teachers Pay Grant	156,414	84,474
	1,482,618	784,495

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
GoSport and other lettings	80,673	-	80,673	113,180
Catering income	9,918	-	9,918	8,636
GoMusic	36,848	-	36,848	50,744
School trips	158,280	-	158,280	307,822
Other income	253,954	-	253,954	286,924
	<u>539,673</u>	<u>-</u>	<u>539,673</u>	<u>767,306</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	9,930	-	9,930	4,479
	<u>9,930</u>	<u>-</u>	<u>9,930</u>	<u>4,479</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	67,965	-	354,926	422,891	945,231
Academy's educational operations					
- Direct costs	10,179,639	-	852,662	11,032,301	7,982,001
- Allocated support costs	2,060,841	1,325,855	747,963	4,134,659	3,246,889
	<u>12,308,445</u>	<u>1,325,855</u>	<u>1,955,551</u>	<u>15,589,851</u>	<u>12,174,121</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	9,550	8,750
- Other services	7,650	7,650
Operating lease rentals	152,154	150,621
Depreciation of tangible fixed assets	720,998	425,672
Net interest on defined benefit pension liability	75,000	34,000
	<u>965,352</u>	<u>907,693</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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, Bewley Primary School have contributed an amount equivalent to Start up grant received, less expenditure paid by the Local Authority from the grant.

The amounts charged during the year were as follows:

	2020	2019
	£	£
Conyers School	57,215	64,034
Bader Primary School	15,000	20,813
Kirklevington Primary School	5,149	5,477
Layfield Primary School	8,510	27,959
Levendale Primary School	8,670	23,650
Bewley Primary School	17,300	-
	<u>111,844</u>	<u>141,933</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	-	11,032,301	11,032,301	7,982,001
Support costs				
Educational operations	297,692	3,836,967	4,134,659	3,246,889
	<u>297,692</u>	<u>14,869,268</u>	<u>15,166,960</u>	<u>11,228,890</u>

	2020 £	2019 £
Analysis of support costs		
Support staff costs	2,105,893	1,638,483
Depreciation	720,998	425,672
Premises costs	604,857	519,263
Legal costs	48,429	48,850
Other support costs	536,950	516,724
Governance costs	117,532	97,897
	<u>4,134,659</u>	<u>3,246,889</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	8,857,048	6,942,638
Social security costs	805,179	636,124
Pension costs	2,467,146	1,454,638
Staff costs - employees	12,129,373	9,033,400
Agency staff costs	176,170	158,121
Staff restructuring costs	2,902	-
	12,308,445	9,191,521
Staff development and other staff costs	113,619	139,113
Total staff expenditure	12,422,064	9,330,634

Staff restructuring costs comprise:

Redundancy payments	2,902	-
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Staff numbers

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

	2020 Number	2019 Number
Teachers	150	142
Administration and support	223	155
Management	13	12
	386	309

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	2	1
£100,001 - £110,000	1	1

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

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 £1,244,155 (2019: £869,692).

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 Insurance for trustees and officers

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 2020

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 2019	17,640,328	203,652	593,189	342,469	222,716	991,025	25,900	20,019,279
Transfer on conversion	3,218,060	-	-	-	-	-	-	3,218,060
Transfer	-	-	868,197	(868,197)	-	-	-	-
Additions	-	-	1,321,242	525,728	11,822	-	-	1,858,792
At 31 August 2020	20,858,388	203,652	2,782,628	-	234,538	991,025	25,900	25,096,131
Depreciation								
At 1 September 2019	1,405,493	120,494	18,150	-	163,699	709,977	25,900	2,443,713
Charge for the year	546,626	20,365	11,864	-	16,409	125,734	-	720,998
At 31 August 2020	1,952,119	140,859	30,014	-	180,108	835,711	25,900	3,164,711
Net book value								
At 31 August 2020	18,906,269	62,793	2,752,614	-	54,430	155,314	-	21,931,420
At 31 August 2019	16,234,835	83,158	575,039	342,469	59,017	281,048	-	17,575,566

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets (Continued)

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

14 Stocks

	2020	2019
	£	£
School uniform	3,588	15,251
Catering stock	1,890	2,974
Other stock	30,449	26,692
	<u>35,927</u>	<u>44,917</u>

15 Debtors

	2020	2019
	£	£
Trade debtors	4,832	4,886
VAT recoverable	65,765	63,888
Other debtors	1,122	1,087
Prepayments and accrued income	263,890	922,157
	<u>335,609</u>	<u>992,018</u>

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other loans	2,380	1,250
Trade creditors	168,690	200,143
Other taxation and social security	199,780	161,290
Other creditors	244,579	166,485
Accruals and deferred income	538,520	707,783
	<u>1,153,949</u>	<u>1,236,951</u>

17 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other loans	<u>23,245</u>	<u>25,625</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Creditors: amounts falling due after more than one year	(Continued)	
Analysis of loans	2020 £	2019 £
Not wholly repayable within five years by instalments	-	26,875
Wholly repayable within five years	25,625	-
	<u>25,625</u>	<u>26,875</u>
Less: included in current liabilities	(2,380)	(1,250)
	<u>23,245</u>	<u>25,625</u>
Instalments not due within five years	-	8,125
	<u>-</u>	<u>8,125</u>
Loan maturity		
Debt due in one year or less	2,380	3,750
Due in more than one year but not more than two years	3,511	3,750
Due in more than two years but not more than five years	9,563	11,250
Due in more than five years	10,171	8,125
	<u>25,625</u>	<u>26,875</u>

There are three separate Salix loans in place, all are from the DfE and are repayable via a deduction from the General Annual Grant. The loans have an interest rate ranging from 0% - 2.29% per annum. The loans are repayable over 8 years.

18 Deferred income	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	230,020	224,297
	<u>230,020</u>	<u>224,297</u>
Deferred income at 1 September 2019	224,297	201,102
Released from previous years	(224,297)	(201,102)
Resources deferred in the year	230,020	224,297
	<u>230,020</u>	<u>224,297</u>
Deferred income at 31 August 2020	<u>230,020</u>	<u>224,297</u>

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 2020

19 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	670,698	11,125,116	(11,086,530)	-	709,284
Start up grants	25,000	-	(25,000)	-	-
Other DfE / ESFA grants	-	1,482,618	(1,482,618)	-	-
Other government grants	-	874,779	(874,779)	-	-
Pension reserve	(2,957,000)	(1,406,000)	(692,000)	(1,709,000)	(6,764,000)
	<u>(2,261,302)</u>	<u>12,076,513</u>	<u>(14,160,927)</u>	<u>(1,709,000)</u>	<u>(6,054,716)</u>
Restricted fixed asset funds					
Inherited on conversion	16,287,263	3,218,060	(568,435)	-	18,936,888
DfE group capital grants	1,870,034	95,982	(138,475)	-	1,827,541
Capital expenditure from GAG	58,063	-	(14,088)	-	43,975
Donated assets	-	1,103,242	-	-	1,103,242
Private sector capital sponsorship	-	123,610	-	-	123,610
	<u>18,215,360</u>	<u>4,540,894</u>	<u>(720,998)</u>	<u>-</u>	<u>22,035,256</u>
Total restricted funds	<u>15,954,058</u>	<u>16,617,407</u>	<u>(14,881,925)</u>	<u>(1,709,000)</u>	<u>15,980,540</u>
Unrestricted funds					
General funds	465,545	1,051,909	(707,926)	(20,000)	789,528
GoSport	140,000	-	-	20,000	160,000
Catering	10,000	-	-	-	10,000
	<u>615,545</u>	<u>1,051,909</u>	<u>(707,926)</u>	<u>-</u>	<u>959,528</u>
Total funds	<u>16,569,603</u>	<u>17,669,316</u>	<u>(15,589,851)</u>	<u>(1,709,000)</u>	<u>16,940,068</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020.

A start up grant was received from the ESFA in the previous year for the conversion of Bewley Primary School into academy status. The full grant was allocated in 2019/20.

Other DfE/ESFA grants include teachers pay and pension grants, 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.

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.

DfE/ESFA capital grants received in year consist of devolved capital grants of £77,336 received in year which have been received for expenditure on acquisition and maintenance of fixed assets. At the balance sheet date £78,211 remains unspent from devolved capital grants, this will be utilised on capital and maintenance in the new academic year.

Donated fixed assets comprises a School Hall which was donated by Stockton-on-Tees Borough Council.

Other capital grants comprise £123,610 of funding provided to fund sports hall changing rooms and an activity studio.

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

Unrestricted funds include £160,000 (2019: £140,000) which the Trust has earmarked for the GoSport carpet fund and £10,000 (2019: £10,000) earmarked for replacement of catering equipment.

The school's restricted general and unrestricted funds were £1,668,812 at 31 August 2020.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

	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					
Transfer on conversion	14,232,386	2,070,328	(279,439)	-	16,023,275
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>-</u>	<u>17,951,372</u>
Total restricted funds	<u>14,249,701</u>	<u>13,534,840</u>	<u>(10,816,471)</u>	<u>(1,278,000)</u>	<u>15,690,070</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>(1,278,000)</u>	<u>16,305,615</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds (Continued)

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
Conyers School	655,588	717,386
Bader Primary School	389,806	206,551
Kirklevington Primary School	132,077	144,416
Layfield Primary School	107,563	84,600
Levendale Primary School	76,239	57,873
Bewley Primary School	218,532	-
Central services	89,007	100,417
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,668,812	1,311,243
Restricted fixed asset fund	22,035,256	17,951,372
Pension reserve	(6,764,000)	(2,957,000)
	<hr/>	<hr/>
Total funds	<u>16,940,068</u>	<u>16,305,615</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 2020	Total 2019
	£	£	£	£	£	£
Conyers School	5,443,621	893,262	542,684	707,448	7,587,015	7,431,878
Bader Primary School	1,266,540	172,352	73,789	274,619	1,787,300	1,851,987
Kirklevington Primary School	519,113	56,742	31,669	122,577	730,101	674,644
Layfield Primary School	715,658	84,874	46,044	164,340	1,010,916	957,706
Levendale Primary School	683,020	100,006	20,979	161,408	965,413	378,941
Bewley Primary School	1,508,089	170,505	65,830	218,498	1,962,922	-
Central services	50,257	27,406	3,100	52,423	80,763	11,023
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>10,186,298</u>	<u>1,505,147</u>	<u>784,095</u>	<u>1,701,313</u>	<u>14,124,430</u>	<u>11,306,179</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	21,931,420	21,931,420
Current assets	959,528	1,860,853	129,461	2,949,842
Creditors falling due within one year	-	(1,151,569)	(2,380)	(1,153,949)
Creditors falling due after one year	-	-	(23,245)	(23,245)
Defined benefit pension liability	-	(6,764,000)	-	(6,764,000)
Total net assets	959,528	(6,054,716)	22,035,256	16,940,068

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	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

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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £216,549 (2019: £145,140) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,435,662 (2019: £785,132).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.6% 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.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	411,000	298,000
Employees' contributions	138,000	104,000
Total contributions	<u>549,000</u>	<u>402,000</u>

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.3	3.1
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	<u>2.3</u>	<u>2.1</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.9
- Females	23.5	23.8
Retiring in 20 years		
- Males	23.2	23.6
- Females	<u>25.3</u>	<u>25.7</u>

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

	2020 £	2019 £
Discount rate + 0.1%	14,645,000	9,497,000
Discount rate - 0.1%	15,335,000	9,873,000
Mortality assumption + 1 year	14,450,000	9,350,000
Mortality assumption - 1 year	15,545,000	10,020,000
CPI rate + 0.1%	15,290,000	9,811,000
CPI rate - 0.1%	<u>14,705,000</u>	<u>9,557,000</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations (Continued)

The trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	6,251,760	5,138,664
Cash	954,216	854,202
Property	658,080	564,984
Other assets	361,944	168,150
Total market value of assets	<u>8,226,000</u>	<u>6,726,000</u>

The actual return on scheme assets was £(429,000) (2019: £251,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	1,028,000	523,000
Past service cost	-	135,000
Interest income	(151,000)	(165,000)
Interest cost	226,000	199,000
Total operating charge	<u>1,103,000</u>	<u>692,000</u>

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	9,683,000	6,383,000
Obligations acquired on conversion	2,792,000	1,129,000
Current service cost	1,028,000	523,000
Interest cost	226,000	199,000
Employee contributions	138,000	104,000
Actuarial loss	1,129,000	1,364,000
Benefits paid	(6,000)	(154,000)
Past service cost	-	135,000
At 31 August 2020	<u>14,990,000</u>	<u>9,683,000</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations (Continued)

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

	2020 £	2019 £
At 1 September 2019	6,726,000	4,984,000
Assets acquired on conversion	1,386,000	1,243,000
Interest income	151,000	165,000
Actuarial loss/(gain)	(580,000)	86,000
Employer contributions	411,000	298,000
Employee contributions	138,000	104,000
Benefits paid	(6,000)	(154,000)
	<u>8,226,000</u>	<u>6,726,000</u>
At 31 August 2020	<u>8,226,000</u>	<u>6,726,000</u>

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

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	2,079,465	2,975,363
Adjusted for:		
Net surplus on conversion to academy	(1,957,289)	(2,354,595)
Capital grants from DfE and other capital income	(1,322,834)	(968,154)
Investment income receivable	(9,930)	(4,479)
Defined benefit pension costs less contributions payable	617,000	360,000
Defined benefit pension scheme finance cost	75,000	34,000
Depreciation of tangible fixed assets	720,998	425,672
Decrease in stocks	8,990	210
Decrease/(increase) in debtors	656,409	(551,820)
(Decrease)/increase in creditors	(84,132)	510,457
	<u>783,677</u>	<u>426,654</u>
Net cash provided by operating activities	<u>783,677</u>	<u>426,654</u>

23 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,176,678	1,201,628	2,378,306
Cash equivalents	1,000,000	(800,000)	200,000
Loans falling due within one year	(1,250)	(1,130)	(2,380)
Loans falling due after more than one year	(25,625)	2,380	(23,245)
	<u>2,149,803</u>	<u>402,878</u>	<u>2,552,681</u>

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Commitments under operating leases

At 31 August 2020 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	78,721	115,397
Amounts due in two and five years	53,769	55,663
	<u>132,490</u>	<u>171,060</u>

25 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	-	411,336
	<u>-</u>	<u>411,336</u>

26 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.

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 2020 the trust received £11,472 and disbursed £11,472 from the fund. An amount of £nil is included in other creditors relating to undistributed funds carried forward to the next academic year.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Conversion to an academy

On 1 September 2019 Bewley Primary School 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 Stockton Borough Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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		
Bewley Primary School	Billingham	1 September 2019		
	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2020
		£	£	£
Net assets transferred:				
Freehold land and buildings	-	-	3,218,060	3,218,060
Cash	145,229	-	-	145,229
Pension scheme deficit	-	(1,406,000)	-	(1,406,000)
	<u>145,229</u>	<u>(1,406,000)</u>	<u>3,218,060</u>	<u>1,957,289</u>
	<u>145,229</u>	<u>(1,406,000)</u>	<u>3,218,060</u>	<u>1,957,289</u>
	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2020
		£	£	£
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	3,218,060	3,218,060
LA budget funds	145,229	-	-	145,229
LGPS pension funds	-	(1,406,000)	-	(1,406,000)
	<u>145,229</u>	<u>(1,406,000)</u>	<u>3,218,060</u>	<u>1,957,289</u>
	<u>145,229</u>	<u>(1,406,000)</u>	<u>3,218,060</u>	<u>1,957,289</u>