

Registration number: 08366005

THE 1590 TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

The 1590 Trust

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Reference and Administrative Details

Members	Mrs F Johnson Mrs P Brooks Mr M Maggiore Mrs W McConnell (appointed 17 December 2020)
Trustees (Directors)	Professor E Martin, Chair Mr C P Beaumont, Vice Chair Ms F A Johnson Mrs S Jones Mr R Smith (resigned 24 March 2021) Mr J Carter Mrs M R Lowbridge (resigned 14 July 2021) Mr N Turvey (appointed 8 December 2020)
Company Secretary	Mr J McCann
Senior Management Team	Mrs L Spellman, Chief Executive and Headteacher Conyers Mr J Downs, Deputy Head Conyers & Director of Standards Mr J McCann, Director of Finance and Operations Mr D Hodgson, Headteacher Bader Primary Mrs M Carlton, Headteacher Bewley and Kirklevington Primary Mrs H Owen, Headteacher Layfield Mr R Beadnall, Headteacher Levendale Ms J Lewis, Head of School Kirklevington (Sept 2021)
Principal and Registered Office	Conyers School Green Lane Yarm TS15 9ET
Company Name	The 1590 Trust
Company Registration Number	08366005

Academies operated	Location	Date Joined	Headteacher
Conyers School	Yarm	1 February 2013	Mrs L Spellman
Bader Primary School	Thornaby	1 September 2017	Mr D Hodgson
Kirklevington Primary School	Yarm	1 June 2018	Mrs M Carlton
Layfield Primary School	Yarm	1 September 2018	Mrs H Owen
Levendale Primary School	Yarm	1 April 2019	Dr R Beadnall
Bewley Primary School	Billingham	1 September 2020	Mrs M Carlton

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Reference and Administrative Details (continued)

Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Internal Assurance	Azets Audit Services Wynyard Park House Wynyard Avenue 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

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Trustees Report for the Year Ended 31 August 2021

Introduction

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. 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. All pupil numbers quoted below are based on the October 2020 census and it should be noted that nursery numbers rise during the year.

Conyers School is a secondary school and sixth form in Yarm (11 to 18 year old) serving a catchment area across south Stockton with a roll of 1,362.

Bader Primary school is a nursery and primary school (2 to 11 year old) with 330 pupils on roll and 55 in nursery in Thornaby.

Bewley Primary (3 to 11 year old) in Billingham has 378 pupils and 41 in nursery.

Kirklevington Primary school (3 to 11 year old) is a nursery and primary school in Kirklevington village, with 121 on roll and 15 in nursery.

Layfield Primary school is a primary school (3 to 11 year old) in Yarm, with 194 pupils and 25 in nursery.

Levendale Primary (3 to 11 year old) in Yarm has 188 pupils and 20 in nursery.

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 main governing documents of the Trust.

The Trust consists of Members, a Trust Board and local governing bodies at school level.

The Trust board has up to nine Trustees, appointed by the Members for a term of four years. 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 2021.

The Trust has delegated powers to the local governing bodies of Conyers School and Bewley, Kirklevington and Levendale Primary schools. Trust oversight boards govern both Bader and Layfield primary schools, supported by the governing bodies.

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).

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Trustees Report for the Year Ended 31 August 2021 (continued)

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.

Member's Liability

Each member of the Trust 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.

Trustee's Insurance Arrangements

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.

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. This is 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. Also that any such insurance shall not extend to the costs of any unsuccessful 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.

Method of recruitment and appointment or election of trustees

The Members have the right to appoint the Trustees of the Trust. Members interview any prospective candidate(s) prior to appointment as Trustees.

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. A new Trustee was recruited following a public advert for governors and trustees in 2020. The Trust is drawing upon the services of Academy Ambassadors to recruit further Trustees during 2021.

Policies and procedures adopted for the induction and training of Trustees

The Trust uses the independent '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.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Organisational structure

The Trust board restructured in July 2019 after a review of Trust effectiveness. 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 board provides the strategic direction and oversight for the Multi Academy Trust.

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

A School Improvement Committee was set up in 2019. 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. It has streamlined the sub committees down to two, for 2020/21.

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

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

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.

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Trustees Report for the Year Ended 31 August 2021 (continued)

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%	-
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100%	-
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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 -

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.

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

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Trustees Report for the Year Ended 31 August 2021 (continued)

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.

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. Are energy consumption figures are independently collated by Stockton Council Energy Unit.

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.

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Trustees Report for the Year Ended 31 August 2021 (continued)

The Energy and Carbon Report for 1 September 2020 to 31 August 2021

UK Greenhouse gas emissions and energy use data	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	3,079,679	2,265,333
Energy consumption break down (kWh) (optional)		
natural gas	2,366,112	1,915,449
electricity	713,567	702,658
transport fuel (Trust does not operate vehicles)	0	0
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	433,377	352,194
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity (see note 1)	151,512	163,818
Scope 3 emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	na	na
Total gross emissions in metric tonnes CO ₂ e	584,889	516,011
Intensity ratio		
kWh energy use per pupil (based on 2,540 pupils)	1,212	1,035
Tonnes CO ₂ e per pupil (taking into account Zero Carbon Electricity)	230	204

The main driver behind the higher ratio in 2021 is gas consumption (up 24 percent). As 2020 was the first year this report was done, its possible that saw lower energy usage arising from a warmer winter. We will monitor closely throughout 2021/22 as well as taking further steps to reduce energy usage.

Measures taken to improve energy efficiency

The Trust has an ongoing capital programme, with CIF projects secured to upgrade the heating systems and boilers at two primary schools in 2022. We 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. We will be reviewing the remote heating controls during 2021/22 and seeking a more responsive system.

Engagement with suppliers, customers and others in a business relationship with the trust

The overall vision of the Trust is wider than the provision of education to our pupils. The Trust and our schools recognise that we are part of a community of stakeholders and our vision reflects this ethos, namely to "work collaboratively and sit at the heart of their communities".

Each school management team and local governing body has a responsibility for community engagement. The role includes:

- Reviewing staff / parent and student surveys
- Monitoring school responses to issues raised in surveys

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Trustees Report for the Year Ended 31 August 2021 (continued)

- Working with school student / pupil councils to take on board their views
- Undertaking periodic checks of website to ensure all statutory information is published on website
- Developing a good understanding of the priorities of the school community including the business community

The Trust seeks to ensure a positive, professional working relationship with the business community. All suppliers are treated fairly and the Trust seeks to pay its bills promptly and no later than 30 days to aid local businesses cash flow. Contracts are awarded on the basis of competitive quotes, so as to ensure fairness and value for money. The Trust has sought to ensure local business people are on both the Trust and local governing bodies to foster good links with the local business community.

Trustees and Governors have a crucial role to play in connecting their school with the wider community of business and other professional people in order to enhance the education and career aspirations of pupils. Conyers school careers team works closely with local employers to encourage student placements and promote a better understanding of the world of work for its students.

Objectives and activities

Objects and aims

The principal objectives of the Trust are:

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

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. The plan sets out the schools' objectives for three years, with an annual update setting out the planned activities of the school to deliver these.

The Trust three year vision and plan was published in September 2018 and has been updated for 2021-24. 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

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Trustees Report for the Year Ended 31 August 2021 (continued)

- develop independent, resilient, motivated learners
- foster enthusiasm, positivity and mutual respect
- work collaboratively and sit at the heart of their communities
- set high expectations and challenge all to achieve their potential

Progress, standards and outcomes will be high.

Public benefit

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

Strategic Report

Achievements and performance

The last year has been dominated by the global pandemic. The 1590 Trust has been one of the essential public services for its local community in Stockton on Tees. The staff of the Trust have worked throughout the pandemic and were recognised as 'key workers' in terms of continuing to deliver high quality education, childcare, Covid19 testing, support and advice and free meals to hard up families.

This section of the Trustees report normally sets out educational achievements. For 2021, the Trust has had no educational results to benchmark performance upon, nor did it in 2020. 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. Despite the pandemic all the Trust schools have continued to offer a full and challenging curriculum, utilising the Trust's ICT infrastructure to support effective remote learning as required.

The 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, develop common support systems and so provide value for money and more effective support to the classrooms. 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 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:

- * 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

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Trustees Report for the Year Ended 31 August 2021 (continued)

The new structure came into force from 1 September 2020. It is still embedding, as the delays arising from the pandemic have prevented a more rapid implementation.

The Impact of Covid19 on the Trust

Educational

When the pandemic broke out in February 2020 the Trust 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 November and January national lockdown periods, to cater for key worker children and vulnerable students. A summer school for 135 students was run in August 2021 to support the transition from primary to secondary at Conyers school.

At Conyers, a virtual school has operated throughout the pandemic with the full timetable being delivered remotely during each lockdown, using the school I pad 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 September 2020, the primary schools extended their on line provision, having strengthened capacity to support remote learning, drawing on learning across the Trust.

The national lockdowns and disruption to education meant exams and SATs were cancelled, late in the academic year, by the Government for the second year running. The A level and GCSE students were awarded results based upon the assessment of the teaching staff, which had been through a rigorous moderation exercise within the school. The Trust was able to 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 2022.

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 and therefore reduced the Trust's 'unrestricted' funds, where the schools run additional income raising activities:

- Go Sports and Go music community provision stopped in November and January and has been operating on a reduced basis until the summer of 2021
- 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.

The Trust acted as the 'track and trace' agent for its school communities in responding to Covid19 cases, working closely with and as directed by Stockton Public Health. It provided advice and support to hundreds of families. It also successfully operated a testing centre for staff and students at Conyers School in 2021. It has also sought to address the mental well-being issues that have arisen with the school communities, during the pandemic.

The Trust utilised the national 'furlough scheme' for those self-funded community services during the lockdowns. It also participated in the 'Free school meals – holidays grant' scheme operated by Stockton Council which helped support some 480 pupils and students during the year.

The Trust provided free 'school meals' during each of the school holiday periods. It has directly supported some 500 students and their families by distributing food parcels and vouchers.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Further details are set out in the notes to the Accounts on the scale and use of Covid19 funding.

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 2020/21.

The out turn for the Trust in 2020/21 was a surplus of £470,035 (£212,000 2019/20) excluding movements in the restricted fixed asset fund, pension reserve and assets donated on conversion of acquired schools. The national Government decision not to fully fund pay and inflation increases is an ongoing pressure and risk to the financial health of the Trust.

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurring grants of £13,184,277 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 £16,078,834 (£17,938,316 in 2019/20 - restated).

Overall costs, including depreciation and LGPS pension costs, amounted to £16,285,945 (£15,584,851 in 2019/20- restated) resulting in a notional in year deficit of £207,111 (£2,353,465 in 2019/20 - restated).

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 were deferred into 2020/21. Two of these (at Conyers School) have been further delayed after an unsatisfactory tendering process and will now not be completed until 2022.

The school held fund balances at 31 August 2021 of £17,246,957 (£17,206,068 in 2019/20 restated) comprising £1,034,766 restricted funds, £1,104,081 unrestricted funds, £22,260,110 of restricted fixed assets funds and a pension reserve deficit of £7,152,000.

The calculated LGPS liability was £7,152,000 as at 31 August 2021, compared to the liability as at 31 August 2020 of £6,498,000 restated. Note 26 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	2021	2020	2019	2018
Total staff costs / DfE and ESFA grants	99.2%	92.7%	89.8%	90.4%
Total staff costs / Total Revenue income	85.6%	81.2%	76.5%	78.1%
Total Operational Reserves	£2,139m	£1.669m	£1.311m	£0.933m

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Trustees Report for the Year Ended 31 August 2021 (continued)

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 would 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 £2,138,847 (2020: £1,668,812).

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 during the pandemic meaning returns have declined significantly. At 31 August 2021, no monies were held in short term 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 more mixed picture. There is similar upward movement in pupils coming into 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. Bader and Bewley however serve a more static population and have experienced a decline in their school rolls. The birth rate has dropped nationally and in Stockton on Tees, resulting in a growth in surplus places in local Primary schools. This may present a longer term pressure on numbers and funding.

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. The wider impact of the pandemic on public finances is yet to be seen but its likely to present additional challenges to school funding in the medium to long term.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Uncertainty over the National Funding Formula and the level of Government funding constitute the other main financial risk. The introduction of the National Funding Formula has again been delayed and no firm date set for its full implementation. 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 notional deficit on the academy balance sheet. This significantly increased in 2020/21, due to changes in the actuarial assumptions resulting in a notional deficit of £7,152,000.

Financial and risk management objectives and policies

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

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

The Trust also has a programme of internal assurance, delivered by an independent auditor. This role was split out from external audit in Feb 2021, with separate companies appointed to external audit and internal assurance roles. 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 presented to Trustees.

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

Fund Raising

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.

Students and individual members of staff do raise funds for other charities, such as sponsored walks/runs and Red nose day. These are supervised to ensure proper protection of all third parties and the good reputation of the Trust. Independent parent teacher associations operate at each school and fund raise for additional items or events to support. These are accounted for separately to the Trust accounts.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Funds held as custodian trustee on behalf of others

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

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.

Plans for future periods

Bewley Primary School in Billingham joined the Trust on 1 September 2019 and this was followed by a pause in Trust expansion. Any future expansion of the Trust is under consideration as part of the Trust's internal review of its strategy and objectives in Sept 2021.

The Trust has commissioned an independent review of its governance arrangements, using a consultant from the National Governors Association (NGA). This is to ensure the Trust continues to operate in line with best practice. It will also ensure capacity is in place to support the Trust in delivering effective and efficient services across six or more schools.

Auditor

Insofar as the trustees are aware:

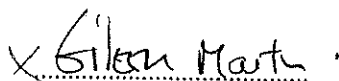
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

During the year MHA Tait Walker were appointed as auditors replacing Azets Audit Services.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 8 December 2021 and signed on its behalf by:

X 

Professor E Martin
Trustee

The 1590 Trust

Governance Statement

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 has used the ESFA School Resource Management Self-Assessment tool kit in March 2021 to review its performance.

The Trust carried out an in-depth 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 September 2021, with the assistance of an external facilitator from the NGA.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. Each meeting of the Trust is independently clerked. The board of trustees has formally met (using Zoom) five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Professor E Martin (Chair)	5	5
Mr C P Beaumont (Vice Chair)	4	5
Ms F A Johnson	4	5
Mrs S Jones	5	5
Dr R Smith (resigned March 2021)	4	4
Mr J Carter	4	5
Mrs M R Lowbridge (resigned July 2021)	4	4
Mr N Turvey (appointed Dec 2020)	3	3

The 1590 Trust

Governance Statement (continued)

Audit and Finance Committee

The main purpose of the Trust's Audit and Finance Committee is to monitor the financial documents produced by the Chief Executive and the Director of Finance and Operations. These include financial summaries for each school, unrestricted funds, curriculum cost centres, Go Sport, Go Music and catering. It also monitors the capital budget and approves all financial policies. This committee has taken on the role of audit committee. It has a separate chair and all Trustees attend, it met three times during 2020/21, using Zoom. Attendance was as follows:

Trustees	Attended	Out of possible
Mr C P Beaumont (Chair)	3	3
Professor E Martin	2	3
Ms F A Johnson	2	3
Mrs S Jones	3	3
Dr R Smith (resigned March 2021)	1	2
Mr J Carter	3	3
Mrs M R Lowbridge (resigned July 2021)	1	3
Mr N Turvey (appointed Dec 2020)	2	2

School Improvement Committee

The School Improvement Committee met twice. It has the role of developing a clear trust-wide school improvement model and standards, so that schools are clear about expectations of them and what they can expect in terms of support from the Trust. The work of the Committee has been refocussed during the pandemic, to take into account the cancellation of exams and SATs. Attendance was as follows:

Trustees and Independents	Attended	Out of possible
Ms D McConnell (Independent Chair)	2	2
Mrs S Jones	2	2
Mr K Morrison (Independent – SIA)	2	2

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. Attendance was as follows:

Oversight Board membership	Attended	Out of possible
Ms F Johnson (Chair)	3	4
Mrs B Oxlee (Chair of Governing Body- resigned Sept 2021)	2	4
Mr J O Boyle (Governor)	3	4
Mrs L Spellman (Chief Executive)	4	4
Professor E Martin (Trustee)	3	4
Mr D Hodgson (Headteacher)	4	4

The 1590 Trust

Governance Statement (continued)

Layfield Oversight Board

The Layfield Oversight Board was created in Nov 2019 at the instigation of the School Improvement Committee. 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 Oversight Board, but has no delegated powers Attendance was as follows:

Oversight Board membership	Attended	Out of possible
Mrs S Jones (Chair)	3	4
Mr R Smith (Trustee – resigned March 2021)	2	3
Mrs R Lowbridge (Trustee – resigned July 2021)	2	4
Mrs E Laidler (Chair of Governing Body)	3	4
Mr. J Gilroy (Governor)	2	4
Mrs L Spellman (Chief Executive)	4	4
Mrs H Owen (Headteacher)	4	4
Mr J Downs (Director of Standards)	4	4

Review of Value for Money

As accounting officer, the Chief Executive has responsibility for ensuring that the trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- 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
- updating the 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 that is generating savings
- use of the ESFA school resource management tool, reported to Trustees in March 2021
- reviewing the senior management structure and team for Bewley and Kirklevington Primary schools
- successfully securing grants through competitive bidding such as for capital improvements (CIF), Covid19 intervention and summer schools (ESFA) and promoting best practise (Tees Valley Combined Authority).

The 1590 Trust

Governance Statement (continued)

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

The capacity to manage 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 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. Trustees reviewed and updated the risk register throughout the year, as a standing item of business at each meeting.

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
- The updating of the Trust Financial Manual to clarify key controls and responsibilities
- Identification and management of risks
- Compliance with the Academies Financial Handbook is formally reviewed each July by Trustees, to ensure new requirements are addressed and compliance fully assured.

The assurance audit was carried out from April 2021 to September 2021 due to the disruption caused by Covid19. It included visits to the primary schools and the Go team. The report was presented to Trustees in October 2021. No significant risks were identified by the work.

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 and Internal Assurance
- the financial management and governance self-assessment process

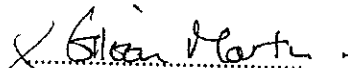
The 1590 Trust

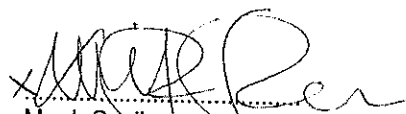
Governance Statement (continued)

- 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 results of the Auditor and Assurance reviews of the system of internal control and ensured this is reported to the Audit and Finance Committee. In the event of any weakness, being identified a plan to ensure continuous improvement of the system would be put in place.

Approved by order of the members of the Governing Body on 8 December 2021 and signed on its behalf by:


.....
Professor E Martin
Trustee


.....
Mrs L Spellman
Chief Executive Officer

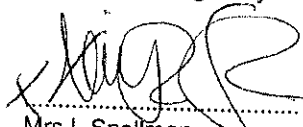
The 1590 Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The 1590 Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



.....
Mrs L Spellman
Accounting officer

8 December 2021

The 1590 Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 8 December 2021 and signed on its behalf by:

X *Eileen Martin*
.....
Professor E Martin
Trustee

The 1590 Trust

Independent Auditor's Report on the Financial Statements to the Members of The 1590 Trust

Opinion

We have audited the financial statements of The 1590 Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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

The 1590 Trust

Independent Auditor's Report on the Financial Statements to the Members of The 1590 Trust (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 22], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The 1590 Trust

Independent Auditor's Report on the Financial Statements to the Members of The 1590 Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

The 1590 Trust

Independent Auditor's Report on the Financial Statements to the Members of The 1590 Trust (continued)

Use of our report

This report is made solely to the Academy's trustees, 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 Academy's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *16th December 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

The 1590 Trust

Independent Reporting Accountant's Assurance Report on Regularity to The 1590 Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

The 1590 Trust

Independent Reporting Accountant's Assurance Report on Regularity to The 1590 Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

MHA Tait-Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *16th December 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

The 1590 Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £
Income and endowments from:				
Voluntary income				
Donations and capital grants				
2	8,463	-	792,380	800,843
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations				
3	254,155	14,507,335	-	14,761,490
4	481,885	32,296	-	514,181
5	2,320	-	-	2,320
	<u>746,823</u>	<u>14,539,631</u>	<u>792,380</u>	<u>16,078,834</u>
Expenditure on:				
Raising funds				
6	42,850	3,669	-	46,519
<i>Charitable activities:</i>				
Academy trust educational operations				
7	559,420	15,112,480	567,526	16,239,426
	<u>602,270</u>	<u>15,116,149</u>	<u>567,526</u>	<u>16,285,945</u>
	144,553	(576,518)	224,854	(207,111)
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes				
26	-	248,000	-	248,000
	144,553	(328,518)	224,854	40,889
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2020				
	<u>959,528</u>	<u>(5,788,716)</u>	<u>22,035,256</u>	<u>17,206,068</u>
Total funds/(deficit) carried forward at 31 August 2021				
	<u>1,104,081</u>	<u>(6,117,234)</u>	<u>22,260,110</u>	<u>17,246,957</u>

The 1590 Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

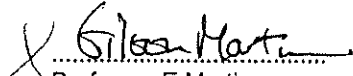
	Note	Unrestricted Funds £	Restricted General Funds (As restated) £	Restricted Fixed Asset Funds £	Total (As restated) 2020 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	25	-	1,322,834	1,322,859
Transfer from local authority on conversion		145,229	(1,137,000)	3,218,060	2,226,289
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	357,052	13,482,513	-	13,839,565
Other trading activities	4	539,673	-	-	539,673
Investments	5	9,930	-	-	9,930
Total		1,051,909	12,345,513	4,540,894	17,938,316
Expenditure on:					
Raising funds	6	410,234	12,657	-	422,891
<i>Charitable activities:</i>					
Academy trust educational operations	7	297,692	14,143,270	720,998	15,161,960
Total		707,926	14,155,927	720,998	15,584,851
Net income/(expenditure)		343,983	(1,810,414)	3,819,896	2,353,465
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(1,717,000)	-	(1,717,000)
Net movement in funds/(deficit)		343,983	(3,527,414)	3,819,896	636,465
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		615,545	(2,261,302)	18,215,360	16,569,603
Total funds/(deficit) carried forward at 31 August 2020		959,528	(5,788,716)	22,035,256	17,206,068

The 1590 Trust

(Registration number: 08366005)
Balance Sheet

	Note	31 August 2021 £	(As restated) 31 August 2020 £
Fixed assets			
Tangible assets	11	21,505,522	21,931,420
Current assets			
Stocks	12	33,993	35,927
Debtors	13	599,976	335,609
Cash at bank and in hand		<u>3,358,852</u>	<u>2,578,306</u>
		3,992,821	2,949,842
Creditors: Amounts falling due within one year	14	<u>(1,049,522)</u>	<u>(1,153,949)</u>
Net current assets		<u>2,943,299</u>	<u>1,795,893</u>
Total assets less current liabilities		24,448,821	23,727,313
Creditors: Amounts falling due after more than one year	15	<u>(49,864)</u>	<u>(23,245)</u>
Net assets excluding pension liability		24,398,957	23,704,068
Pension scheme liability	26	<u>(7,152,000)</u>	<u>(6,498,000)</u>
Net assets including pension liability		<u>17,246,957</u>	<u>17,206,068</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	1,034,766	709,284
Restricted fixed asset fund	16	22,260,110	22,035,256
Restricted pension fund	16	<u>(7,152,000)</u>	<u>(6,498,000)</u>
		16,142,876	16,246,540
Unrestricted funds			
Unrestricted income fund	16	<u>1,104,081</u>	<u>959,528</u>
Total funds		<u>17,246,957</u>	<u>17,206,068</u>

The financial statements on pages 29 to 61 were approved by the trustees, and authorised for issue on 8 December 2021 and signed on their behalf by:


Professor E Martin
Trustee

The 1590 Trust

Statement of Cash Flows

	Note	2021 £	(As restated) 2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	100,858	928,906
Cash flows from investing activities	22	653,069	(526,028)
Cash flows from financing activities	21	<u>26,619</u>	<u>(1,250)</u>
Change in cash and cash equivalents in the year		780,546	401,628
Cash and cash equivalents at 1 September		<u>2,578,306</u>	<u>2,176,678</u>
Cash and cash equivalents at 31 August	23	<u><u>3,358,852</u></u>	<u><u>2,578,306</u></u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

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

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred 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 academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Donated fixed assets

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

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £2,000 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 requiring 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful lives, per the table below.

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

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

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Leasehold buildings	50 years straight line
Leasehold land	125 years straight line
All weather pitches	10 years straight line
Leasehold improvements	50 years straight line
Office equipment	4 years straight line
Fixtures, fittings & equipment	7 years straight line
Motor vehicles	4 years straight line

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 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.

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

Critical accounting estimates and assumptions

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £567,529 (2020 - £720,998).

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

Prior year adjustment

During the year it was brought to our attention that the assets included within the Local Government Pension Scheme balance that was transferred when Bewley Primary School joined the Trust had been incorrectly calculated.

A revised pension report has been obtained from the actuary, Aon Hewitt.

At the date of conversion, the assets within the LGPS deficit were originally calculated to be £1,386,000. However, the assets should have been correctly valued at £1,655,000. This has resulted in a net uplift of the assets acquired (and therefore a net decrease of the overall liability acquired by the Trust) of £269,000.

As a result of this, the impact to the SOFA has been to increase the interest receivable by £5,000 but return an actuarial loss of £8,000.

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Transfer from local authority on conversion	-	(269,000)	-
Expenditure on: Academy trust educational operations	-	(5,000)	-
Actuarial gains/(losses) on defined benefit pension scheme	-	8,000	-
Pension scheme liability	-	266,000	-

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Other voluntary income					
Capital grants	-	-	792,380	792,380	95,982
Donations - local authority asset transfer	-	-	-	-	1,103,242
Other donations	8,463	-	-	8,463	123,635
	<u>8,463</u>	<u>-</u>	<u>792,380</u>	<u>800,843</u>	<u>1,322,859</u>
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
Total 2020	<u>25</u>	<u>-</u>	<u>1,322,834</u>	<u>1,322,859</u>	

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
DfE/ESFA revenue grants					
General Annual Grant GAG	-	11,600,624	-	11,600,624	11,125,116
Other ESFA Group grants	13,950	1,569,703	-	1,583,653	1,482,618
	<u>13,950</u>	<u>13,170,327</u>	<u>-</u>	<u>13,184,277</u>	<u>12,607,734</u>
Other government grants					
Local authority grants	-	817,707	-	817,707	832,367
	<u>-</u>	<u>817,707</u>	<u>-</u>	<u>817,707</u>	<u>832,367</u>
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	203,390	-	203,390	-
Other DfE/ESFA COVID-19 funding	7,349	69,978	-	77,327	-
	<u>7,349</u>	<u>273,368</u>	<u>-</u>	<u>280,717</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)					
Coronavirus Job Retention Scheme grant	30,747	-	-	30,747	42,412
Other Coronavirus funding	-	37,080	-	37,080	-
	<u>30,747</u>	<u>37,080</u>	<u>-</u>	<u>67,827</u>	<u>42,412</u>
Non-government grants and other income					
Other income	202,109	208,853	-	410,962	357,052
Total grants	<u>254,155</u>	<u>14,507,335</u>	<u>-</u>	<u>14,761,490</u>	<u>13,839,565</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £
Total 2020	<u>357,052</u>	<u>13,482,513</u>	<u>-</u>	<u>13,839,565</u>

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 funding received for coronavirus exceptional support covers £114,407 of additional costs. These costs are included in notes 6 and 7 below as appropriate.

The academy furloughed some of its catering and leisure facilities staff under the government's CJRS. The funding received of £30,746 relates to staff costs in respect of catering and leisure facilities staff which are included within note 8 below as appropriate.

	2021 £	2020 £
Other DfE/ESFA Grants		
Rates reclaim	61,497	-
Pupil Premium and Service Premium	628,063	611,316
Universal Infant Free School Meals (UiFSM)	184,610	135,544
PE and Sports Grant	90,450	90,440
Year 7 Catch Up Grant	-	11,728
Other	13,950	-
Other	-	35,200
Teachers' Pay Grant	<u>605,083</u>	<u>598,390</u>
	<u>1,583,653</u>	<u>1,482,618</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Catering income	3,080	-	-	3,080	9,918
Other sales	305,629	32,296	-	337,925	253,954
GoSport and other lettings	75,676	-	-	75,676	80,673
GoMusic	37,855	-	-	37,855	36,848
School trips	<u>59,645</u>	<u>-</u>	<u>-</u>	<u>59,645</u>	<u>158,280</u>
	<u>481,885</u>	<u>32,296</u>	<u>-</u>	<u>514,181</u>	<u>539,673</u>
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
Total 2020	<u>539,673</u>	<u>-</u>	<u>-</u>	<u>539,673</u>	

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Investment income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Short term deposits	<u>2,320</u>	<u>-</u>	<u>-</u>	<u>2,320</u>	<u>9,930</u>
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
Total 2020	<u>9,930</u>	<u>-</u>	<u>-</u>	<u>9,930</u>	

6 Expenditure

	Non Pay Expenditure			Total 2021 £	Total (As restated) 2020 £
	Staff costs £	Premises £	Other costs £	Total 2021 £	Total (As restated) 2020 £
Expenditure on raising funds	-	-	46,519	46,519	422,891
Academy's educational operations					
Direct costs	10,584,005	-	1,338,339	11,922,344	11,032,301
Allocated support costs	<u>2,495,440</u>	<u>1,194,972</u>	<u>626,670</u>	<u>4,317,082</u>	<u>4,129,659</u>
	<u>13,079,445</u>	<u>1,194,972</u>	<u>2,011,528</u>	<u>16,285,945</u>	<u>15,584,851</u>
	Non Pay Expenditure			Total (As restated) 2020 £	
	Staff costs £	Premises £	Other costs £	Total (As restated) 2020 £	
Total 2020	<u>12,308,445</u>	<u>1,325,855</u>	<u>1,950,551</u>	<u>15,584,851</u>	

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	172,704	152,154
Depreciation	567,526	720,998
Fees payable to auditor - audit	7,750	9,550
Fees payable to auditor - other audit services	1,500	7,650
	<u>1,249,526</u>	<u>987,352</u>

7 Charitable activities

	2021 £	(As restated) 2020 £
Direct costs - educational operations	11,922,344	11,032,301
Support costs - educational operations	4,317,082	4,129,659
	<u>16,239,426</u>	<u>15,161,960</u>

	Educational operations £	Total 2021 £	Total (As restated) 2020 £
Analysis of support costs			
Support staff costs	2,495,440	2,495,440	2,060,841
Depreciation	567,526	567,526	720,998
Premises costs	627,446	627,446	604,857
Legal costs	46,424	46,424	48,429
Other support costs	512,257	512,257	577,002
Governance costs	67,989	67,989	117,532
Total support costs	<u>4,317,082</u>	<u>4,317,082</u>	<u>4,129,659</u>

8 Staff

Staff costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	9,236,634	8,857,048
Social security costs	861,221	805,179
Operating costs of defined benefit pension schemes	2,749,399	2,467,146
	<u>12,847,254</u>	<u>12,129,373</u>
Supply staff costs	220,827	176,170
Staff restructuring costs	11,364	2,902
	<u>13,079,445</u>	<u>12,308,445</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

	2021 £	2020 £
Staff restructuring costs comprise:		
Redundancy payments	<u>10,989</u>	<u>2,902</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,464 (2020: £Nil). Individually, the payments were:

Non-contractual payments £2,464

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	144	150
Administration and support	230	223
Management	<u>21</u>	<u>13</u>
	<u>395</u>	<u>386</u>

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	7	4
£70,001 - £80,000	3	2
£100,001 - £110,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,184,343 (2020 - £1,244,155).

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Central services

The academy trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Governance services
- Education and support services; and
- Technology support services

The academy 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 actual amounts charged during the year were as follows:

	2020/21	2019/20
	£	£
Conyers School	320,773	57,215
Bader Primary School	40,000	15,000
Kirklevington Primary School	9,899	5,149
Layfield Primary School	23,914	8,510
Levendale Primary School	23,358	8,670
Bewley Primary School	49,842	17,300
	<u>467,786</u>	<u>111,844</u>

10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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 for the Year Ended 31 August 2021 (continued)

11 Tangible fixed assets	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Assets under construction £	Leasehold improvements £	Total £
Cost								
At 1 September 2020	203,652	20,858,388	991,025	25,900	234,538	-	2,782,628	25,096,131
Additions	-	-	-	-	42,094	98,729	808	141,631
At 31 August 2021	203,652	20,858,388	991,025	25,900	276,632	98,729	2,783,436	25,237,762
Depreciation								
At 1 September 2020	140,859	1,952,119	835,711	25,900	180,108	-	30,014	3,164,711
Charge for the year	20,365	362,376	102,621	-	26,515	-	55,652	567,529
At 31 August 2021	161,224	2,314,495	938,332	25,900	206,623	-	85,666	3,732,240
Net book value								
At 31 August 2021	42,428	18,543,893	52,693	-	70,009	98,729	2,697,770	21,505,522
At 31 August 2020	62,793	18,906,269	155,314	-	54,430	-	2,752,614	21,931,420

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Stock

	2021	2020
	£	£
Catering	3,161	1,890
Clothing	2,443	3,588
Other	28,389	30,449
	<u>33,993</u>	<u>35,927</u>

13 Debtors

	2021	2020
	£	£
Trade debtors	12,461	4,832
VAT recoverable	80,187	65,765
Other debtors	479	1,122
Prepayments	148,581	126,174
Accrued grant and other income	358,268	137,716
	<u>599,976</u>	<u>335,609</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	45,288	168,690
Other taxation and social security	210,498	199,780
Loans	2,380	2,380
Other creditors	20,590	28,030
Accruals	319,314	308,500
Deferred income	224,291	230,020
Pension scheme creditor	227,161	216,549
	<u>1,049,522</u>	<u>1,153,949</u>

	2021	2020
	£	£
Deferred income		
Deferred income at 1 September 2020	230,020	224,297
Resources deferred in the period	224,291	230,020
Amounts released from previous periods	<u>(230,020)</u>	<u>(224,297)</u>
Deferred income at 31 August 2021	<u>224,291</u>	<u>230,020</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Creditors: amounts falling due within one year (continued)

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 education support.

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	<u>49,864</u>	<u>23,245</u>

Included within creditors: amounts falling due in more than one year is £10,171 (2019 - £8,125) of creditors due in more than five years, repayable by instalments.

Loans of £4,375 from Salix Finance Ltd which is provided on the following terms: Salix Finance Ltd loan (Conyers School) - Interest free loan repayable through GAG in 6-monthly installments of £625 from September 2015.

Loans of £8,870 from Salix Finance Ltd which is provided on the following terms: Salix Finance Ltd loan (Bader Primary School) - Interest free loan repayable through GAG in monthly installments of £94 from September 2019.

Loans of £10,000 from Salix Finance Ltd which is provided on the following terms: Salix Finance Ltd loan (Kirklevington Primary School) - Interest free loan repayable through GAG.

Loans of £9,000 from Salix Finance Ltd which is provided on the following terms: Salix Finance Ltd loan (Kirklevington Primary School) - Interest free loan repayable through GAG.

Loans of £10,000 from Department of Education which is provided on the following terms: CIF loan (Conyers School) - loan repayable through GAG in annual installments. Interest is charged at 2.29% per annum.

Loans of £10,000 from Department of Education which is provided on the following terms: CIF loan (Conyers School) - loan repayable through GAG in annual installments. Interest is charged at 2.29% per annum.

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds

	Balance at (As restated) 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	709,284	11,600,624	(11,275,142)	-	1,034,766
Other DfE/ESFA grants	-	1,569,703	(1,569,703)	-	-
Other government grants	-	817,707	(817,707)	-	-
COVID-19	-	310,448	(310,448)	-	-
Other income	-	241,149	(241,149)	-	-
	<u>709,284</u>	<u>14,539,631</u>	<u>(14,214,149)</u>	<u>-</u>	<u>1,034,766</u>
Restricted fixed asset funds					
Inherited on conversion	18,936,888	-	(362,376)	(30,619)	18,543,893
DfE group capital grants	1,827,541	792,380	(42,461)	(272,106)	2,305,354
Capital expenditure from GAG	43,975	-	(115,900)	145,542	73,617
Donated assets	1,103,242	-	(26,424)	218,000	1,294,818
Private sector capital sponsorship	123,610	-	(20,365)	(60,817)	42,428
	<u>22,035,256</u>	<u>792,380</u>	<u>(567,526)</u>	<u>-</u>	<u>22,260,110</u>
Restricted pension funds					
Pension reserve	(6,764,000)	-	(902,000)	248,000	(7,418,000)
Prior year adjustment	266,000	-	-	-	266,000
	<u>(6,498,000)</u>	<u>-</u>	<u>(902,000)</u>	<u>248,000</u>	<u>(7,152,000)</u>
Total restricted funds	<u>16,246,540</u>	<u>15,332,011</u>	<u>(15,683,675)</u>	<u>248,000</u>	<u>16,142,876</u>
Unrestricted funds					
General funds	789,528	746,823	(602,270)	(20,000)	914,081
GoSport	160,000	-	-	20,000	180,000
Catering	10,000	-	-	-	10,000
Total unrestricted funds	<u>959,528</u>	<u>746,823</u>	<u>(602,270)</u>	<u>-</u>	<u>1,104,081</u>
Total funds	<u>17,206,068</u>	<u>16,078,834</u>	<u>(16,285,945)</u>	<u>248,000</u>	<u>17,246,957</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources (As restated) £	Resources expended (As restated) £	Gains, losses and transfers (As restated) £	Balance at (As restated) 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)	-	-
	<u>695,698</u>	<u>13,482,513</u>	<u>(13,468,927)</u>	<u>-</u>	<u>709,284</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>
Restricted pension funds					
Pension reserve	(2,957,000)	(1,406,000)	(692,000)	(1,709,000)	(6,764,000)
Prior year adjustment	-	269,000	5,000	(8,000)	266,000
	<u>(2,957,000)</u>	<u>(1,137,000)</u>	<u>(687,000)</u>	<u>(1,717,000)</u>	<u>(6,498,000)</u>
Total restricted funds	<u>15,954,058</u>	<u>16,886,407</u>	<u>(14,876,925)</u>	<u>(1,717,000)</u>	<u>16,246,540</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
Total unrestricted funds	<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>17,938,316</u>	<u>(15,584,851)</u>	<u>(1,717,000)</u>	<u>17,206,068</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 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 2021.

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 2020/21.

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 £62,596 received in year which have been received for expenditure on acquisition and maintenance of fixed assets. At the balance sheet date £98,713 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 comprises 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 it's objectives.

Unrestricted funds include £180,000 (2020: £160,000) which the Trust has earmarked for the GoSport carpet fund and £10,000 (2020: £10,000) earmarked for replacement of catering equipment.

The school's restricted general and unrestricted funds were £2,138,847 at 31 August 2021.

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	(As restated) 2020 £
Conyers School	874,083	655,588
Bader Primary School	506,048	389,806
Kirklevington Primary School	123,041	132,077
Layfield Primary School	126,950	107,563
Levendale Primary School	106,959	76,239
Bewley Primary School	301,870	218,532
Central services	99,896	89,007
Total before fixed assets and pension reserve	2,138,847	1,668,812
Inherited on conversion	22,260,110	22,035,256
Pension reserve	(7,152,000)	(6,498,000)
Total	<u>17,246,957</u>	<u>17,206,068</u>

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2021 £
Conyers School	5,526,213	1,136,160	460,415	974,399	8,097,187
Bader Primary School	1,332,678	287,602	47,088	271,874	1,939,242
Kirklevington Primary School	516,962	111,865	11,223	133,692	773,742
Layfield Primary School	749,654	188,230	31,046	195,880	1,164,810
Levendale Primary School	682,117	162,826	21,211	140,146	1,006,300
Bewley Primary School	1,535,150	364,202	52,529	242,345	2,194,226
Central services	241,231	244,555	-	57,126	542,912
Academy Trust	<u>10,584,005</u>	<u>2,495,440</u>	<u>623,512</u>	<u>2,015,462</u>	<u>15,718,419</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £
Conyers School	5,443,621	893,262	542,684	707,448	7,587,015
Bader Primary School	1,266,540	172,352	73,789	274,619	1,787,300
Kirklevington Primary School	519,113	56,742	31,669	122,577	730,101
Layfield Primary School	715,658	84,874	46,044	164,340	1,010,916
Levendale Primary School	683,020	100,006	20,979	161,408	965,413
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	133,186
Academy Trust	<u>10,186,298</u>	<u>1,505,147</u>	<u>784,095</u>	<u>1,701,313</u>	<u>14,176,853</u>

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	21,505,522	21,505,522
Current assets	1,104,081	2,134,152	754,588	3,992,821
Current liabilities	-	(1,099,386)	-	(1,099,386)
Pension scheme liability	-	(7,152,000)	-	(7,152,000)
Total net assets	<u>1,104,081</u>	<u>(6,117,234)</u>	<u>22,260,110</u>	<u>17,246,957</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(As restated) Total funds £
Tangible fixed assets	-	-	21,931,420	21,931,420
Current assets	959,528	1,860,853	129,461	2,949,842
Current liabilities	-	(1,151,569)	(2,380)	(1,153,949)
Creditors over 1 year	-	-	(23,245)	(23,245)
Pension scheme liability	-	(6,498,000)	-	(6,498,000)
Total net assets	<u>959,528</u>	<u>(5,788,716)</u>	<u>22,035,256</u>	<u>17,206,068</u>

18 Capital commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	<u>712,086</u>	<u>-</u>

19 Long-term commitments, including operating leases

Operating leases

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

	2021 £	2020 £
Amounts due within one year	187,337	78,721
Amounts due between one and five years	<u>214,540</u>	<u>53,769</u>
	<u>401,877</u>	<u>132,490</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

		2021	(As restated) 2020
		£	£
Net (expenditure)/income		(207,111)	2,353,465
Depreciation	6	567,529	720,998
Capital grants from DfE and other capital income		(792,380)	(1,322,834)
Assets transferred on conversion from Local Authority		-	(3,218,060)
Interest receivable	5	(2,320)	(9,930)
Defined benefit pension scheme obligation inherited	26	-	1,137,000
Defined benefit pension scheme cost less contributions payable	26	796,000	617,000
Defined benefit pension scheme finance cost	26	106,000	70,000
Decrease in stocks		1,934	8,990
(Increase)/decrease in debtors		(264,367)	656,409
Decrease in creditors		(104,427)	(84,132)
Net cash provided by Operating Activities		<u>100,858</u>	<u>928,906</u>

21 Cash flows from financing activities

	2021	2020
	£	£
Repayments of borrowing	(2,381)	(1,250)
Cash inflows from new borrowing	29,000	-
Net cash provided by/(used in) financing activities	<u>26,619</u>	<u>(1,250)</u>

22 Cash flows from investing activities

	2021	2020
	£	£
Dividends, interest and rents from investments	2,320	9,930
Purchase of tangible fixed assets	(141,631)	(755,550)
Capital funding received from sponsors and others	792,380	219,592
Net cash provided by/(used in) investing activities	<u>653,069</u>	<u>(526,028)</u>

23 Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>3,358,852</u>	<u>2,578,306</u>
Total cash and cash equivalents	<u>3,358,852</u>	<u>2,578,306</u>

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	2,578,306	780,546	3,358,852
Loans falling due within one year	(2,380)	-	(2,380)
Loans falling due after more than one year	<u>(23,245)</u>	<u>(26,619)</u>	<u>(49,864)</u>
Total	<u>2,552,681</u>	<u>753,927</u>	<u>3,306,608</u>

25 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26 Pension and similar obligations

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

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

Contributions amounting to £227,161 (2020 - £216,549) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

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 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 for the Year Ended 31 August 2021 (continued)

26 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% administration levy)
- 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. 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 TPS in the period amounted to £1,496,743 (2020: £1,435,662).

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

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

Local government pension scheme

Teeside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £633,000 (2020 - £549,000), of which employer's contributions totalled £478,000 (2020 - £411,000) and employees' contributions totalled £155,000 (2020 - £138,000). The agreed contribution rates for future years are 16.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.70	3.30
Rate of increase for pensions in payment/inflation	2.70	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.70</u>	<u>2.30</u>

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	23.60	23.50
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	<u>25.40</u>	<u>25.30</u>

Sensitivity analysis

	At 31 August 2021	At 31 August 2020
	£	£
Discount rate +0.1%	17,592,000	14,645,000
Discount rate -0.1%	18,420,000	15,335,000
Mortality assumption – 1 year increase	17,322,000	14,450,000
Mortality assumption – 1 year decrease	18,708,000	15,545,000
CPI rate +0.1%	18,366,000	15,290,000
CPI rate -0.1%	<u>17,664,000</u>	<u>14,705,000</u>

The academy trust's share of the assets in the scheme were:

	2021	2020
	£	£
Equities	8,585,514	6,453,920
Property	792,342	679,360
Cash and other liquid assets	900,882	985,072
Other	<u>575,262</u>	<u>373,648</u>
Total market value of assets	<u>10,854,000</u>	<u>8,492,000</u>

The actual return on scheme assets was £1,864,000 (2020 - (£432,000)).

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021	2020
	£	£
Current service cost	1,263,000	1,028,000
Interest income	(149,000)	(156,000)
Interest cost	255,000	226,000
Total amount recognised in the SOFA	<u>1,369,000</u>	<u>1,098,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2021	2020
	£	£
At start of period	14,990,000	9,683,000
Conversion of academy trusts	-	2,792,000
Current service cost	1,263,000	1,028,000
Interest cost	255,000	226,000
Employee contributions	155,000	138,000
Actuarial (gain)/loss	1,467,000	1,129,000
Losses or gains on curtailments	11,000	-
Benefits paid	(135,000)	(6,000)
At 31 August	<u>18,006,000</u>	<u>14,990,000</u>

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

	2021	(As restated) 2020
	£	£
At start of period	8,492,000	6,726,000
Conversion of academy trusts	-	1,655,000
Interest income	149,000	156,000
Actuarial gain/(loss)	1,715,000	(588,000)
Employer contributions	478,000	411,000
Employee contributions	155,000	138,000
Benefits paid	(135,000)	(6,000)
At 31 August	<u>10,854,000</u>	<u>8,492,000</u>

27 Related party transactions

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

There were no related party transactions in the year.

The 1590 Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £5,494 and disbursed £2,384 from the fund. An amount of £3,110 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2020 are £11,472 received, £11,472 disbursed and £Nil included in other creditors.