

Company registration number 08366005 (England and Wales)

THE 1590 TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE 1590 TRUST

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THE 1590 TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Brooks
M Maggiore
W McConnell
B Oxlee

Trustees

Professor E Martin (Chair)
C P Beaumont (Vice Chair) (Resigned 13 December 2023)
F A Johnson
S M Jones (Resigned 25 May 2023)
J G Carter
N Turvey
Professor C Linton
A Wilson
Dr D Phillips (Resigned 4 September 2023)
L Fisher
N R Willsher (Resigned 25 May 2023)

Senior management team

| | |
|--|------------|
| - Chief Executive and Headteacher Conyers | L Spellman |
| - Deputy Chief Executive | J Downs |
| - Deputy Head Conyers & Director of Standards | C Coleman |
| - Director of Finance and Operations | K Riley |
| - Headteacher Bader Primary | D Hodgson |
| - Executive Headteacher Bewley and Kirklevington Primaries | M Carlton |
| - Head of School Bewley | S Clift |
| - Headteacher Layfield | H Owen |
| - Headteacher Levendale | J Lewis |
| - Head of School Kirklevington | L Peacock |

Company secretary

K Riley

Company registration number

08366005 (England and Wales)

Principal and registered office

C/O Conyers School
Green Lane
Yarm
North Yorkshire
TS15 9ET

Academies operated

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

Location

Yarm
Thornaby
Yarm
Yarm
Yarm
Billingham

Principal

L Spellman
D Hodgson
M Carlton
H Owen
J Lewis
M Carlton

THE 1590 TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|----------------------------|--|
| Independent auditor | Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS |
| Bankers | Lloyds Bank plc 2nd Floor Skinnergate Darlington County Durham DL3 7ND United Kingdom |
| Solicitors | Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne Tyne & Wear NE1 4BF United Kingdom |
| Internal auditor | Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP |

THE 1590 TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. 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 2,621 pupils and employing around 387 staff. All pupil numbers quoted below are based on the October 2023 census, 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 1,382 (inc 1 dual registration).

Bader Primary school is a nursery and primary school (2 to 11 year old) with 280 pupils on roll and 32 in nursery in Thornaby.

Bewley Primary (3 to 11 year old) in Billingham has 346 pupils and 32 in nursery.

Kirklevington Primary school (3 to 11 year old) is a nursery and primary school in Kirklevington village, with 135 on roll and 14 in nursery.

Layfield Primary school is a primary school (3 to 11 year old) in Yarm, with 182 pupils and 17 in nursery.

Levendale Primary (3 to 11 year old) in Yarm has 190 pupils and 11 in nursery.

Structure, governance and management

Constitution

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

The trustees oversaw 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 2023. The Trust consists of Members, a Trust Board and local governing bodies at school level with full delegated powers.

The Trust board meets monthly (except August) and is made up of 8 Trustees appointed by the Members of the Trust. It has an Audit and Finance Committee and the Trust Board. Trustees are appointed for four year terms. All Trustees are independent of the management of the Trust.

Local Governing Bodies are established under Article 100a with provision for at least two Parent Local Governors on each established Body, pursuant to Article 101A. Provision is made for Staff Governors on each Local Governing Body.

The functions, duties and proceedings of the Academy Local Governing Bodies are subject to regulations made by the Trustees from time to time. Schemes of Delegation in respect of each Academy detail the number of Governors assigned to the Academy's Local Governing Body, and its individual scheme of delegated authority.

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.

The charitable company operates as The 1590 Trust.

The trustees of The 1590 Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' 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.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Trustees' indemnities

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 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 Board over the last couple of years and this has proved effective. There have been three resignations in year and the outcome of the Trustees skills audit is being used to ensure trustees with the right skills are recruited. Primary education is still an area where it would be useful to have trustees with specific expertise.

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.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Trust board generally meets monthly, 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 meets twice per year. It has an independent chair and a remit to oversee educational performance and direct the work of local governing bodies to drive school improvement.

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.

During the school year 2022/23 Bader and Layfield school had Oversight Boards in place. Oversight Boards are put in place by the Trust to oversee the governance of a school, where it has taken the decision not to delegate full powers to the Local Governing Board. The Oversight Board works closely with the Local Governing Body to build capacity in the latter to enable delegation. Given the strong Ofsted outcomes and significant improved governance capacity at each school the decision was taken to delegate powers back to the respective Local Governing Bodies from September 2023

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). There are 2 subcommittees namely the Quality of Education Committee and the Care Support and Guidance Committee and committees normally meet three times a year.

Bewley, Kirklevington and Levendale Primary schools also have full delegated powers from the Trust and conduct all of their business in the main meeting of the governing body.

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

Arrangements for setting pay and remuneration of key management personnel

All key management personnel are paid in accordance with the national terms and conditions of pay for teachers or support staff, 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.

Engagement with employees

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.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust has in place a suite of staffing employment policies which are in accordance with relevant legislation, regulations and best practice. 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 adjustments 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 disabled 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.

Engagement with suppliers, customers and others in a business relationship with the academy 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.
- 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

Related parties and other connected charities and organisations

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.

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 independent Parent Teacher Associations associated with its schools where they are in place.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

The principal objective of the Trust is 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.

We aim to develop:

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

Objectives, strategies and activities

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

The Trust developed a new three year vision and plan for the overall Trust, from 1 September 2022.

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

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

Public benefit

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

Strategic report

Achievements and performance

During the last year 3 of the trust primary schools have been subject to OFSTED inspections. All 3 schools remain good with the written reports describing high quality educational experiences for all pupils.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key performance indicators

Educational Achievements

| Primary | Reception | Phonics % passing | | KS1 EXS+ % | | | KS2 EXS+% | | |
|---------------|-----------|-------------------|-----|------------|----|----|-----------|----|----|
| | | check | Y1 | Y2 | R | W | M | R | W |
| School | GLD % | Y1 | Y2 | R | W | M | R | W | M |
| Bader | 59 | 66 | 94 | 72 | 67 | 72 | 77 | 68 | 79 |
| Bewley | 71 | 80 | 92 | 72 | 68 | 77 | 76 | 78 | 85 |
| Kirklevington | 83 | 90 | 100 | 80 | 50 | 85 | 88 | 82 | 82 |
| Layfield | 74 | 76 | 93 | 78 | 63 | 78 | 69 | 69 | 81 |
| Levendale | 71 | 92 | 96 | 89 | 78 | 85 | 89 | 85 | 89 |
| 1590 Trust | 70 | 78 | 94 | 77 | 66 | 79 | 79 | 75 | 83 |

| Secondary | GCSE | | | | Level 3 | | | |
|-----------|------------|----|-------------------|----|---------|-----|-----------|-----|
| | Mean Grade | 7+ | English & Maths % | | A Level | | Technical | |
| 5+ | | | 4+ | B+ | E+ | B+ | E+ | |
| Conyers | 5.2 | 20 | 56 | 79 | 60 | 100 | 88 | 100 |

Out of 222 Y11 students, on 1 October 2023, leaving Conyers there was 1 student classified as Not in Education or Employment with Training with 56% enrolling on a level 3 programme at Conyers, 95% attending Sixth Form / FE provision overall, and 5% on an apprenticeship.

Out of 128 Y13 students, on 1 October 2023, leaving Conyers there was 1 student classified as Not in Education or Employment with Training with 71% enrolling on an HE course and 13% on an apprenticeship. 9% of students secured employment and 4% continued education elsewhere. 3 students have deferred their HE offer and are completing a GAP year.

The Trust

The Trust has had a stable cohort of schools since 2019 and this has allowed the schools to strengthen their links and work together to improve and embed good practice across teaching and learning, along with more centralised and consistent support services. The Trust has developed a Trust wide vision and plan, which will drive performance for the next three years. The Trust is keen to expand further and continues to have the ambition to reach 10 schools by the end of the decade.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Impact of Covid19 on the Trust

Many of the operational issues relating to Covid19 have substantially reduced and there is only a limited impact on employees and pupils if they test positive for covid. There has been minimal impact on the community based provision, such as sports facilities, during 2022/23.

However the impact of the lockdowns and the significant disruption to the education and socialisation of the cohorts most impacted continues to be complex and school works hard to ensure any remaining covid funding is targeted to have the most impact.

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

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Protecting the success of the academy trust

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 2022/23.

The out turn for the Trust in 2022/23 was a deficit of £354,975 (2022 – surplus of £171,916) 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. In particular, the unfunded pay awards made in late July 2023 and the doubling of energy costs. The Trust is reviewing its financial strategy and measures to reduce costs so as to manage these additional pressures.

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurring grants of £15,771,975 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, along with some income from treasury investments. Together with capital grants received in year and asset transfers from the local authority on conversion, the Trust recognised total income of £17,223,943 (2022 - £16,702,645).

Overall costs, including depreciation and LGPS pension costs, amounted to £18,389,595 (2022 -£17,468,668) resulting in a notional in year deficit of £1,165,652 (2022 – £766,023).

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 took a significant time to complete and costs in some cases were substantially different to those budgeted. All of the remaining projects outstanding were completed within 2022/23.

The school held fund balances at 31 August 2023 of £25,358,282 (2022 - £24,162,934) comprising £575,952 restricted funds, £1,235,104 unrestricted funds, £22,075,226 of restricted fixed assets funds and a pension reserve asset of £1,482,000. The calculated LGPS asset was £1,482,000 as at 31 August 2023, compared to the liability as at 31 August 2022 of £553,000. The notes 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.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 | 2023 | 2022 | 2021 | 2020 |
|--|---------|---------|---------|---------|
| Total staff costs / DfE and ESFA grants | 92.2% | 99.2% | 92.7% | 89.8% |
| Total staff costs / Total Revenue income | 79.6% | 85.6% | 81.2% | 76.5% |
| Total Reserves | £1.811m | £2.311m | £2.139m | £1.669m |

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. Each school is responsible for maintaining its own financial sustainability and will set a level of reserves which align with its identified and costed risks. The Trust expects that at budget setting general reserves will be forecast to be at least 8 percent of a school's (restricted) income at the end of the year. Holding significantly higher levels of reserves will require the approval of the Trust and a plan on how the reserves will be spent. Where reserves are expected to drop to below 8% over the three year plan period the Trust must approve this.

The Trust itself will hold a central reserve, funded by the balance of conversion grants from those schools in or joining the Trust and any investment income. This will be a fund of last resort for individual schools and will support the development of the Trust's corporate services. The overall reserves currently stands at £1,811,056 (2022: £2,310,763).

Investment policy

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

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

The principal financial risks the Trust faces are under-funding of the school by central government generally and specifically relating to pay awards, continuing high inflation, uncertainty over future funding arising from the national funding formula, the decline in pupil numbers in the longer term and potential 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.

New housing estates being built within the catchment area of Conyers and wider changes in South Stockton have seen buoyant student numbers but a number of pupils do come from out of catchment and the current demographic dip in primary pupil numbers will work through into secondary over time.

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. Bader and Bewley serve a more static population and are experiencing 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 presents a 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.

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 surplus or deficit on the academy balance sheet. Whilst in this year there is a surplus this does fluctuate significantly based on asset prices at the time the fund is valued rather than the underlying soundness of the scheme and if it is a triennial valuation year it can impact on future contribution rates.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 Finance 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 current internal assurance auditor, Wylie Bisset has been in place since 2022.

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.

Currently there are national issues relating to the risks of Reinforced Autoclaved Aerated Concrete (RAAC) in public buildings. Trust schools have been reviewed by internal facilities staff and no RAAC was identified. Trust are in the process of having DfE appointed surveyors confirm this result.

The Trust also takes seriously its responsibilities around sustaining a safe and well maintained estate. A Trustee sub group has been formed during 2022/23 to look at these issues and ensure the Trust has in place clear condition information that helps inform strategic decision making around assets, along with consistent processes around Health and Safety and other building compliance requirements.

Fundraising

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

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

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 some schools in the Trust and fund raise for additional items or events to support. These are accounted for separately to the Trust accounts.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | kWh | kWh |
| <i>Energy consumption</i> | | |
| Aggregate of energy consumption in the year | | |
| - Gas combustion | 1,812,887 | 2,092,731 |
| - Fuel consumed for transport | 722,222 | 743,020 |
| | <u>2,535,109</u> | <u>2,835,751</u> |
| | | |
| | 2023 | 2022 |
| | metric tonnes | metric tonnes |
| <i>Emissions of CO2 equivalent</i> | | |
| Scope 1 - direct emissions | | |
| - Gas combustion | 331,631.00 | 382,007.00 |
| - Fuel consumed for owned transport | 149,553.00 | 143,685.00 |
| | <u>481,184.00</u> | <u>525,692.00</u> |
| Scope 2 - indirect emissions | | |
| - Electricity purchased | - | - |
| Scope 3 - other indirect emissions | | |
| - Fuel consumed for transport not owned by the academy trust | - | - |
| | <u>481,184.00</u> | <u>525,692.00</u> |
| Total gross emissions | | |
| | <u>481,184.00</u> | <u>525,692.00</u> |
| | | |
| <i>Intensity ratio</i> | | |
| Tonnes CO2e per pupil | 990.00 | 1,114.00 |
| | <u>990.00</u> | <u>1,114.00</u> |

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. All 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.

Measures taken to improve energy efficiency

The Trust has an ongoing capital programme, with CIF projects which upgraded heating systems and boilers at two primary schools in 2022. There are plans to roll out LED lighting replacement 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. Some heating controls and measuring within Conyers have been updated with a view to having further remote heating controls installed which should improve the heating efficiency throughout the school, in particular, the larger blocks.

Plans for future periods

The Trust is exploring further expansion with schools which share the Trust's ethos in the locality. Due diligence is underway and it is expected that Whitehouse Primary school will join the Trust in April 2024. The Trustees are reviewing the way forward at their away day in November 2023. The MAT corporate services teams are being reviewed to ensure capacity and scalability to support such an expansion.

THE 1590 TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Auditor

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20/12/2023..... and signed on its behalf by:



Eileen Martin 20 Dec 2023 10:43:55 GMT (UTC +0)

.....
Professor E Martin

Chair

THE 1590 TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The 1590 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.

Self-Evaluation

The Trust has used the ESFA School Resource Management Self-Assessment tool kit in March 2022 to review its performance. It further explored the effectiveness of its operation at the away day in Sept 2023 and Trustees have completed a skills audit to inform the skills needs for the recruitment of new Trustees. A further external review is planned for 24/25. Structures will be considered and reviewed as the MAT takes on additional schools to ensure they remain fit for purpose.

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.

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.

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 in person, with some joining remotely, four 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) | 4 | 4 |
| C P Beaumont (Vice Chair) (Resigned 13 December 2023) | 4 | 4 |
| F A Johnson | 3 | 4 |
| S M Jones (Resigned 25 May 2023) | 3 | 4 |
| J G Carter | 3 | 4 |
| N Turvey | 4 | 4 |
| Professor C Linton | 4 | 4 |
| A Wilson | 4 | 4 |
| Dr D Phillips (Resigned 4 September 2023) | 3 | 4 |
| L Fisher | 4 | 4 |
| N R Willsher (Resigned 25 May 2023) | 1 | 4 |

Conflicts of interest

Declaration of interests are obtained from Trustees and Governors on an annual basis and published on the Trust website. Declarations are requested at every Trustee or Governor meeting and any mid-year changes updated on the register accordingly. Declarations are also requested from senior management to ensure a comprehensive register is kept of all potential related parties. To date, no related party transactions have taken place and none are planned for the future.

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 four times during 2022/23 in person, with some joining remotely where required,

Attendance at meetings in the year was as follows:

| Trustees | Attended | Out of possible |
|--|-----------------|------------------------|
| Professor E Martin | 3 | 4 |
| C P Beaumont (Chair of Audit and Finance)(Resigned 13 December 2023) | 4 | 4 |
| F A Johnson | 3 | 4 |
| S M Jones (Resigned 25 May 2023) | 1 | 4 |
| J G Carter | 3 | 4 |
| N Turvey | 3 | 4 |
| Professor C Linton | 4 | 4 |
| A Wilson | 4 | 4 |
| Dr D Phillips (Resigned 4 September 2023) | 3 | 4 |
| L Fisher | 2 | 4 |
| N R Willsher (Resigned 25 May 2023) | 1 | 4 |

Other meetings

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 was refocused 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 | 1 | 2 |
| Professor E Martin | 1 | 2 |
| Ms F A Johnson | 2 | 2 |
| Mrs L Fisher | 1 | 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. With effect from September 2023 Bader Primary School Local Governing Body has regained delegated powers and the Bader Oversight Board will be disbanded. Attendance was as follows:

| Oversight Board membership | Attended | Out of possible |
|-----------------------------------|-----------------|------------------------|
| Ms F Johnson (Chair) | 3 | 3 |
| Mr J O Boyle (Chair of Governors) | 3 | 3 |
| Mrs L Spellman (Chief Executive) | 3 | 3 |
| Professor E Martin (Trustee) | 2 | 3 |
| Mr D Hodgson (Headteacher) | 3 | 3 |

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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. With effect from September 2023 Layfield Primary School Local Governing Body has regained delegated powers and the Layfield Oversight Board will be disbanded.

Attendance was as follows:

| Oversight Board membership | Attended | Out of possible |
|--|----------|-----------------|
| Mrs S Jones (Chair)(Resigned 25 May 2023) | 1 | 3 |
| Mr J Gilroy (Chair of Governors) | 4 | 4 |
| Mrs L Spellman (Chief Executive) | 3 | 4 |
| Mr A Wilson (Trustee)(Appointed Chair June 2023) | 4 | 4 |
| Mrs H Owen (Headteacher) | 4 | 4 |
| Mr J Downs (Deputy Chief Executive) | 4 | 4 |
| Mr N Turvey (Trustee) | 3 | 4 |
| Mrs L Fisher (Trustee) | 2 | 4 |

Review of value for money

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:

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, as well as estates safety and management achieved in return for the taxpayer resources received. Examples of how the accounting officer for the Trust has delivered improved value for money during the year include:

- continuing 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 a ratio of 0.78 which is in line with the recommended benchmark of ACSL
- updating the three year ICT programme, with a arrangement between the principal supplier and the Trust in house team, with all the Trust schools on a consolidated contract to achieve savings and consistency.
- successfully securing grants through competitive bidding such as for capital improvements (CIF), Heat decarbonisation strategy (Salix) and promoting best practice (Tees Valley Combined Authority).

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The 1590 Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

THE 1590 TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 year by Trustees, to ensure new requirements are addressed and compliance fully assured.

The Trust have considered the need for a specific internal audit function and appointed Wylie & Bisset LLP as the internal assurance auditor in December 2022.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial and other systems. During the 2022/23 the areas reviewed by internal audit were:

- Overall financial controls - a review of key financial controls in place to provide assurance that they are suitably designed and operating effectively.
- The Arbor System - a review of the implementation of the Arbor MIS system to assess whether the system is fit for purpose and being utilised effectively.
- Cyber Security - to ensure that the Trust has adequate IT controls in place and that these are operating effectively.

The assurance audit was carried out in two parts in December 2022 and July 2023. Updates were presented to trustees following the work.

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 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 board of trustees on 20/12/2023 and signed on its behalf by:



Eileen Martin 20 Dec 2023 10:43:55 GMT (UTC +0)

Professor E Martin
Chair



Louise Spellman 20 Dec 2023 10:53:20 GMT (UTC +0)

THE 1590 TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The 1590 Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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

L Spellman

Louise Spellman 20 Dec 2023 10:53:20 GMT (UTC +0)

Accounting Officer

20 December 2023
.....

THE 1590 TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The 1590 Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on ~~20/12/2023~~..... and signed on its behalf by:



Eileen Martin 20 Dec 2023 10:43:55 GMT (UTC +0)

Professor E Martin

Chair

THE 1590 TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE 1590 TRUST FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of The 1590 Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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 2022 to 2023.

Basis for opinion

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

Emphasis of matter

We draw your attention to the key judgements made in relation to the accounting treatment and assumptions regarding the Local Government Pension Scheme ('LGPS'). The key judgements are disclosed in note 2 and the pension note includes the relevant pension scheme disclosures. It should be noted that for sector-wide comparability users of these financial statements should take into consideration differing sector judgements relating to asset ceiling calculations, where appropriate. Our Auditor's Report is unmodified in this respect.

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 trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE 1590 TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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 about 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; and
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing support documentation.

THE 1590 TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Brian Laidlaw BA CA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

Azets Audit Services
Brian Laidlaw 20 Dec 2023 13:46:39 GMT (UTC +0)
.....

**Chartered Accountants
Statutory Auditor**

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

20 December 2023

THE 1590 TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 30 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The 1590 Trust's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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 1590 TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

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 the Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting our responsibilities;
- Obtained a formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expense claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- 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 period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Brian Laidlaw 20 Dec 2023 13:46:39 GMT (UTC +0)

Reporting Accountant

Azets Audit Services

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Dated: 20 December 2023

THE 1590 TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | Unrestricted funds £ | Restricted funds: General £ | Fixed asset £ | Total 2023 £ | Total 2022 £ |
|--|-------|----------------------------|-----------------------------------|-------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 5,678 | - | 76,018 | 81,696 | 475,064 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 357,101 | 15,771,975 | - | 16,129,076 | 15,262,734 |
| Other trading activities | 5 | 976,996 | - | - | 976,996 | 964,413 |
| Investments | 6 | 36,175 | - | - | 36,175 | 434 |
| Total | | <u>1,375,950</u> | <u>15,771,975</u> | <u>76,018</u> | <u>17,223,943</u> | <u>16,702,645</u> |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 64,446 | 13,644 | - | 78,090 | 58,836 |
| Charitable activities: | | | | | | |
| - Educational operations | 9 | 1,201,375 | 16,559,435 | 550,695 | 18,311,505 | 17,409,832 |
| Total | 7 | <u>1,265,821</u> | <u>16,573,079</u> | <u>550,695</u> | <u>18,389,595</u> | <u>17,468,668</u> |
| Net income/(expenditure) | | 110,129 | (801,104) | (474,677) | (1,165,652) | (766,023) |
| Transfers between funds | 19 | - | (144,732) | 144,732 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 21 | - | 2,371,000 | - | 2,371,000 | 7,682,000 |
| Net movement in funds | | 110,129 | 1,425,164 | (329,945) | 1,205,348 | 6,915,977 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 1,124,975 | 632,788 | 22,405,171 | 24,162,934 | 17,246,957 |
| Total funds carried forward | | <u>1,235,104</u> | <u>2,057,952</u> | <u>22,075,226</u> | <u>25,368,282</u> | <u>24,162,934</u> |

THE 1590 TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| Comparative year information Year ended 31 August 2022 | Notes | Unrestricted | Restricted funds: | | Total |
|---|-------|------------------|--------------------|-------------------|-------------------|
| | | funds | General | Fixed asset | 2022 |
| | | £ | £ | £ | £ |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 4,945 | - | 470,119 | 475,064 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 335,125 | 14,927,609 | - | 15,262,734 |
| Other trading activities | 5 | 831,636 | 132,777 | - | 964,413 |
| Investments | 6 | - | 434 | - | 434 |
| Total | | <u>1,171,706</u> | <u>15,060,820</u> | <u>470,119</u> | <u>16,702,645</u> |
| Expenditure on: | | | | | |
| Raising funds | 7 | 52,163 | 6,673 | - | 58,836 |
| Charitable activities: | | | | | |
| - Educational operations | 9 | 1,098,649 | 15,836,900 | 474,283 | 17,409,832 |
| Total | 7 | <u>1,150,812</u> | <u>15,843,573</u> | <u>474,283</u> | <u>17,468,668</u> |
| Net income/(expenditure) | | 20,894 | (782,753) | (4,164) | (766,023) |
| Transfers between funds | 19 | - | (149,225) | 149,225 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 21 | - | 7,682,000 | - | 7,682,000 |
| Net movement in funds | | 20,894 | 6,750,022 | 145,061 | 6,915,977 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>1,104,081</u> | <u>(6,117,234)</u> | <u>22,260,110</u> | <u>17,246,957</u> |
| Total funds carried forward | | <u>1,124,975</u> | <u>632,788</u> | <u>22,405,171</u> | <u>24,162,934</u> |

THE 1590 TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

| | Notes | 2023 | | 2022 | |
|---|-------|------|--------------------------|------|--------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 13 | | 22,045,302 | | 22,270,846 |
| Current assets | | | | | |
| Stock | 14 | | 2,938 | | 29,044 |
| Debtors | 15 | | 573,725 | | 892,626 |
| Cash at bank and in hand | | | 2,707,444 | | 3,147,467 |
| | | | <u>3,284,107</u> | | <u>4,069,137</u> |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | | (1,390,025) | | (1,576,929) |
| Net current assets | | | <u>1,894,082</u> | | <u>2,492,208</u> |
| Total assets less current liabilities | | | <u>23,939,384</u> | | <u>24,763,054</u> |
| Creditors: amounts falling due after more than one year | 17 | | (53,102) | | (47,120) |
| Net assets excluding pension asset/(liability) | | | <u>23,886,282</u> | | <u>24,715,934</u> |
| Defined benefit pension scheme asset/(liability) | 21 | | 1,482,000 | | (553,000) |
| Total net assets | | | <u><u>25,368,282</u></u> | | <u><u>24,162,934</u></u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | 19 | | | | |
| - Fixed asset funds | | | 22,075,226 | | 22,405,171 |
| - Restricted income funds | | | 575,952 | | 1,185,788 |
| - Pension reserve | | | 1,482,000 | | (553,000) |
| Total restricted funds | | | <u>24,133,178</u> | | <u>23,037,959</u> |
| Unrestricted income funds | 19 | | 1,235,104 | | 1,124,975 |
| Total funds | | | <u><u>25,368,282</u></u> | | <u><u>24,162,934</u></u> |

The accounts on pages 26 to 53 were approved by the trustees and authorised for issue on 20/12/2023..... and are signed on their behalf by:



Eileen Martin 20 Dec 2023 10:43:55 GMT (UTC +0)

.....
Professor E Martin

Chair

Company registration number 08366005 (England and Wales)

THE 1590 TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|-----------|-----------|-------------|-----------|
| Cash flows from operating activities | | | | | |
| Net cash (used in)/provided by operating activities | 22 | | (238,278) | | 560,413 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 36,175 | | 434 | |
| Capital grants from DfE Group | | 76,018 | | 470,119 | |
| Purchase of tangible fixed assets | | (325,151) | | (1,239,607) | |
| Net cash used in investing activities | | | (212,958) | | (769,054) |
| Cash flows from financing activities | | | | | |
| New other loan | | 23,229 | | - | |
| Repayment of other loan | | (12,016) | | (2,744) | |
| Net cash provided by/(used in) financing activities | | | 11,213 | | (2,744) |
| Net decrease in cash and cash equivalents in the reporting period | | | (440,023) | | (211,385) |
| Cash and cash equivalents at beginning of the year | | | 3,147,467 | | 3,358,852 |
| Cash and cash equivalents at end of the year | | | 2,707,444 | | 3,147,467 |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the 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 (FRS 102)), the Academies Accounts Direction 2022 to 2023 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.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the 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 accounts.

1.3 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

| | |
|--------------------------------|-------------------------|
| 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 |

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 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. Prepayments are not financial instruments.

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

Financial liabilities

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

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

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

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

1.12 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.

1.13 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 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact on 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the academy trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have not restricted the asset based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at the 31 August 2023.

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.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 76,018 | 76,018 | 470,119 |
| Other donations | 5,678 | - | 5,678 | 4,945 |
| | <u>5,678</u> | <u>76,018</u> | <u>81,696</u> | <u>475,064</u> |

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 13,032,360 | 13,032,360 | 12,553,408 |
| Other DfE/ESFA grants: | | | | |
| - UIFSM | - | 129,816 | 129,816 | 140,901 |
| - Pupil premium | - | 705,236 | 705,236 | 672,424 |
| - PE and Sports Grant | - | 90,200 | 90,200 | 89,980 |
| - Supplementary grant | - | 548,813 | 548,813 | - |
| - Others | - | 301,699 | 301,699 | 219,858 |
| | <u>-</u> | <u>14,808,124</u> | <u>14,808,124</u> | <u>13,676,571</u> |
| Other government grants | | | | |
| Local authority grants | - | 811,856 | 811,856 | 785,871 |
| | <u>-</u> | <u>811,856</u> | <u>811,856</u> | <u>785,871</u> |
| COVID-19 additional funding | | | | |
| DfE/ESFA | | | | |
| Catch-up premium | - | - | - | 162,086 |
| Other DfE/ESFA COVID-19 funding | - | - | - | 70,526 |
| Non-DfE/ESFA | | | | |
| Other COVID-19 funding | - | - | - | 23,610 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>256,222</u> |
| Other incoming resources | <u>357,101</u> | <u>151,995</u> | <u>509,096</u> | <u>544,070</u> |
| Total funding | <u>357,101</u> | <u>15,771,975</u> | <u>16,129,076</u> | <u>15,262,734</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Catering income | 1,222 | - | 1,222 | 2,583 |
| Other income | 975,774 | - | 975,774 | 961,830 |
| | <u>976,996</u> | <u>-</u> | <u>976,996</u> | <u>964,413</u> |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | <u>36,175</u> | <u>-</u> | <u>36,175</u> | <u>434</u> |

7 Expenditure

| | Staff costs £ | Non-pay expenditure | | Total 2023 £ | Total 2022 £ |
|----------------------------------|-------------------|---------------------|------------------|--------------------|--------------------|
| | | Premises £ | Other £ | | |
| Expenditure on raising funds | | | | | |
| - Direct costs | - | - | 78,090 | 78,090 | 58,836 |
| Academy's educational operations | | | | | |
| - Direct costs | 11,609,119 | - | 1,815,715 | 13,424,834 | 12,531,420 |
| - Allocated support costs | 2,391,068 | 1,684,874 | 810,729 | 4,886,671 | 4,878,412 |
| | <u>14,000,187</u> | <u>1,684,874</u> | <u>2,704,534</u> | <u>18,389,595</u> | <u>17,468,668</u> |

Net income/(expenditure) for the year includes:

| | 2023 £ | 2022 £ |
|---|---------------|----------------|
| Operating lease rentals | 149,787 | 167,454 |
| Depreciation of tangible fixed assets | 550,695 | 474,283 |
| Fees payable to auditor for: | | |
| - Audit | 9,750 | 8,129 |
| - Other services | 2,685 | 2,561 |
| Net interest on defined benefit pension liability | <u>30,000</u> | <u>130,000</u> |

8 Central services

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

- human resources;
- financial services;
- governance services;
- educational support services;
- technology support services.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Central services

(Continued)

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.

The amounts charged during the year were as follows:

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Conyers School | 397,416 | 355,073 |
| Bader Primary School | 48,967 | 42,833 |
| Kirklevington Primary School | 14,927 | 11,219 |
| Layfield Primary School | 28,114 | 27,607 |
| Levendale Primary School | 29,040 | 26,753 |
| Bewley Primary School | 56,536 | 53,791 |
| | <u>575,000</u> | <u>517,276</u> |

9 Charitable activities

| | Unrestricted funds | Restricted funds | Total 2023 | Total 2022 |
|------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Direct costs | | | | |
| Educational operations | 680,709 | 12,744,125 | 13,424,834 | 12,531,420 |
| Support costs | | | | |
| Educational operations | 520,666 | 4,366,005 | 4,886,671 | 4,878,412 |
| | <u>1,201,375</u> | <u>17,110,130</u> | <u>18,311,505</u> | <u>17,409,832</u> |

| | 2023 | 2022 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Analysis of support costs | | |
| Support staff costs | 2,478,708 | 2,803,357 |
| Depreciation | 550,695 | 474,283 |
| Premises costs | 1,134,179 | 787,380 |
| Legal costs | 43,584 | 55,966 |
| Other support costs | 620,138 | 703,543 |
| Governance costs | 59,367 | 53,883 |
| | <u>4,886,671</u> | <u>4,878,412</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

Staff costs

Staff costs during the year were:

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Wages and salaries | 10,254,872 | 9,303,046 |
| Social security costs | 984,321 | 905,206 |
| Pension costs | 2,414,947 | 2,893,989 |
| | <u>13,654,140</u> | <u>13,102,241</u> |
| Staff costs - employees | 13,654,140 | 13,102,241 |
| Agency staff costs | 334,549 | 447,693 |
| Staff restructuring costs | 11,498 | 12,850 |
| | <u>14,000,187</u> | <u>13,562,784</u> |
| Staff development and other staff costs | 176,274 | 79,560 |
| | <u>14,176,461</u> | <u>13,642,344</u> |

Staff restructuring costs comprise:

| | | |
|---------------------|---------------|---------------|
| Redundancy payments | 11,498 | 12,850 |
| | <u>11,498</u> | <u>12,850</u> |

Severance payments

The academy trust paid 2 severance payments in the year, disclosed in the following bands:

| | |
|--------------|---|
| £0 - £25,000 | 2 |
|--------------|---|

Staff numbers

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

| | 2023 Number | 2022 Number |
|----------------------------|----------------|----------------|
| Teachers | 137 | 134 |
| Administration and support | 217 | 219 |
| Management | 28 | 28 |
| | <u>382</u> | <u>381</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

Higher paid staff

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

| | 2023 Number | 2022 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 7 | 6 |
| £70,001 - £80,000 | 3 | 3 |
| £80,001 - £90,000 | 2 | - |
| £110,001 - £120,000 | 1 | 1 |
| | <u> </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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,575,740 (2022: £1,297,925).

11 Trustees' remuneration and expenses

None of the trustees have been paid remuneration or have received other benefits from an employment with the academy trust. No expenses have been paid to trustees in the current or prior year.

12 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

| | Freehold land and buildings £ | Leasehold land and buildings £ | Leasehold impr'ts £ | Assets under construction £ | Computer equipment £ | Furniture & equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--|---|---------------------------|--------------------------------------|----------------------------|-------------------------------|------------------------|------------|
| Cost | | | | | | | | |
| At 1 September 2022 | 209,119 | 20,858,388 | 3,195,674 | 826,872 | 358,016 | 1,003,400 | 25,900 | 26,477,369 |
| Transfers | - | - | 1,152,023 | (1,152,023) | - | - | - | - |
| Additions | - | - | - | 325,151 | - | - | - | 325,151 |
| At 31 August 2023 | 209,119 | 20,858,388 | 4,347,697 | - | 358,016 | 1,003,400 | 25,900 | 26,802,520 |
| Depreciation | | | | | | | | |
| At 1 September 2022 | 181,587 | 2,676,854 | 141,335 | - | 233,897 | 946,950 | 25,900 | 4,206,523 |
| Charge for the year | 20,364 | 362,364 | 63,897 | - | 47,620 | 56,450 | - | 550,695 |
| At 31 August 2023 | 201,951 | 3,039,218 | 205,232 | - | 281,517 | 1,003,400 | 25,900 | 4,757,218 |
| Net book value | | | | | | | | |
| At 31 August 2023 | 7,168 | 17,819,170 | 4,142,465 | - | 76,499 | - | - | 22,045,302 |
| At 31 August 2022 | 27,532 | 18,181,534 | 3,054,339 | 826,872 | 124,119 | 56,450 | - | 22,270,846 |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Stock

| | 2023 | 2022 |
|----------|--------------|---------------|
| | £ | £ |
| Catering | 2,938 | 1,841 |
| Other | - | 27,203 |
| | <u>2,938</u> | <u>29,044</u> |

15 Debtors

| | 2023 | 2022 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 13,409 | 23,697 |
| VAT recoverable | 61,108 | 208,565 |
| Other debtors | 9,686 | 3,161 |
| Prepayments and accrued income | 489,522 | 657,203 |
| | <u>573,725</u> | <u>892,626</u> |

16 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Other loans | 7,611 | 2,380 |
| Trade creditors | 229,793 | 278,590 |
| Other taxation and social security | 242,149 | 203,780 |
| Other creditors | 267,304 | 242,227 |
| Accruals and deferred income | 643,168 | 849,952 |
| | <u>1,390,025</u> | <u>1,576,929</u> |

17 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|-------------|---------------|---------------|
| | £ | £ |
| Other loans | 53,102 | 47,120 |
| | <u>53,102</u> | <u>47,120</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

| 17 Creditors: amounts falling due after more than one year | (Continued) | |
|--|---------------|---------------|
| Analysis of loans | 2023 £ | 2022 £ |
| Wholly repayable within five years | 60,713 | 49,500 |
| Less: included in current liabilities | (7,611) | (2,380) |
| | <u>60,713</u> | <u>49,500</u> |
| Amounts included above | 53,102 | 47,120 |
| | <u>53,102</u> | <u>47,120</u> |
| Instalments not due within five years | 26,174 | 10,171 |
| | <u>26,174</u> | <u>10,171</u> |
| Loan maturity | | |
| Debt due in one year or less | 7,611 | 2,380 |
| Due in more than one year but not more than two years | 6,361 | 2,380 |
| Due in more than two years but not more than five years | 20,567 | 34,569 |
| Due in more than five years | 26,174 | 10,171 |
| | <u>60,713</u> | <u>49,500</u> |

Loans of £1,875 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 £6,609 from Department of Education which is provided on the following terms: Salix Finance Ltd loan (Bader Primary School) - Loan repayable through GAG in monthly installments of £94 from September 2019. Interest is charged at 2.29% per annum.

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 £10,000 from Department of Education 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 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.

Loans of £13,229 from Department of Education which is provided on the following terms: CIF loan (Bader School) - loan repayable through GAG in annual installments. Interest is charged at 2.29% per annum.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Deferred income

| | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Deferred income is included within: | | |
| Creditors due within one year | 209,556 | 200,031 |
| | <u>209,556</u> | <u>200,031</u> |
| Deferred income at 1 September 2022 | 200,031 | 224,291 |
| Released from previous years | (200,031) | (224,291) |
| Resources deferred in the year | 209,556 | 200,031 |
| | <u>209,556</u> | <u>200,031</u> |
| Deferred income at 31 August 2023 | <u>209,556</u> | <u>200,031</u> |

At the balance sheet date the school was holding funds received in advance for universal infant free school meals, school led tutoring, sports premium, trips and education support.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2023 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 1,185,788 | 13,032,360 | (13,497,464) | (144,732) | 575,952 |
| UIFSM | - | 129,816 | (129,816) | - | - |
| Pupil premium | - | 705,236 | (705,236) | - | - |
| Other DfE/ESFA grants | - | 940,712 | (940,712) | - | - |
| Other government grants | - | 811,856 | (811,856) | - | - |
| Other restricted funds | - | 151,995 | (151,995) | - | - |
| Pension reserve | (553,000) | - | (336,000) | 2,371,000 | 1,482,000 |
| | <u>632,788</u> | <u>15,771,975</u> | <u>(16,573,079)</u> | <u>2,226,268</u> | <u>2,057,952</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 18,181,517 | - | (362,364) | - | 17,819,153 |
| DfE group capital grants | 2,733,014 | 76,018 | (108,716) | 144,732 | 2,845,048 |
| Capital expenditure from GAG | 200,183 | - | (32,826) | - | 167,357 |
| Donated assets | 1,268,394 | - | (26,425) | - | 1,241,969 |
| Private sector capital sponsorship | 22,063 | - | (20,364) | - | 1,699 |
| | <u>22,405,171</u> | <u>76,018</u> | <u>(550,695)</u> | <u>144,732</u> | <u>22,075,226</u> |
| Total restricted funds | <u>23,037,959</u> | <u>15,847,993</u> | <u>(17,123,774)</u> | <u>2,371,000</u> | <u>24,133,178</u> |
| Unrestricted funds | | | | | |
| General funds | 914,975 | 1,375,950 | (1,265,821) | 10,000 | 1,035,104 |
| GoSport | 200,000 | - | - | - | 200,000 |
| Catering | 10,000 | - | - | (10,000) | - |
| | <u>1,124,975</u> | <u>1,375,950</u> | <u>(1,265,821)</u> | <u>-</u> | <u>1,235,104</u> |
| Total funds | <u>24,162,934</u> | <u>17,223,943</u> | <u>(18,389,595)</u> | <u>2,371,000</u> | <u>25,368,282</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

(Continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

A start up grant was received from the ESFA as a result of the conversion to academy status. The full grant was allocated.

Other DfE/ESFA grants include teachers pay and pension grants, pupil premium, PE and sports grant and other DfE/ESFA grants.

Other government grants comprise funding received from the Local Authority.

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 Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

(Continued)

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

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|---------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 1,034,766 | 12,553,408 | (12,253,161) | (149,225) | 1,185,788 |
| UIFSM | - | 140,901 | (140,901) | - | - |
| Pupil premium | - | 672,424 | (672,424) | - | - |
| Catch-up premium | - | 162,086 | (162,086) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 70,526 | (70,526) | - | - |
| Other Coronavirus funding | - | 23,610 | (23,610) | - | - |
| Other DfE/ESFA grants | - | 309,838 | (309,838) | - | - |
| Other government grants | - | 785,871 | (785,871) | - | - |
| Other restricted funds | - | 342,156 | (342,156) | - | - |
| Pension reserve | (7,152,000) | - | (1,083,000) | 7,682,000 | (553,000) |
| | <u>(6,117,234)</u> | <u>15,060,820</u> | <u>(15,843,573)</u> | <u>7,532,775</u> | <u>632,788</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 18,543,893 | - | (362,376) | - | 18,181,517 |
| DfE group capital grants | 2,305,354 | 470,119 | (42,459) | - | 2,733,014 |
| Capital expenditure from GAG | 73,617 | - | (22,659) | 149,225 | 200,183 |
| Donated assets | 1,294,818 | - | (26,424) | - | 1,268,394 |
| Private sector capital sponsorship | 42,428 | - | (20,365) | - | 22,063 |
| | <u>22,260,110</u> | <u>470,119</u> | <u>(474,283)</u> | <u>149,225</u> | <u>22,405,171</u> |
| Total restricted funds | <u>16,142,876</u> | <u>15,530,939</u> | <u>(16,317,856)</u> | <u>7,682,000</u> | <u>23,037,959</u> |
| Unrestricted funds | | | | | |
| General funds | 914,081 | 1,171,706 | (1,150,812) | (20,000) | 914,975 |
| GoSport | 180,000 | - | - | 20,000 | 200,000 |
| Catering | 10,000 | - | - | - | 10,000 |
| | <u>1,104,081</u> | <u>1,171,706</u> | <u>(1,150,812)</u> | <u>-</u> | <u>1,124,975</u> |
| Total funds | <u>17,246,957</u> | <u>16,702,645</u> | <u>(17,468,668)</u> | <u>7,682,000</u> | <u>24,162,934</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

(Continued)

Total funds analysis by academy

| | 2023 | 2022 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Fund balances at 31 August 2023 were allocated as follows: | | |
| Conyers School | 596,681 | 988,612 |
| Bader Primary School | 529,447 | 538,363 |
| Kirklevington Primary School | 108,723 | 106,617 |
| Layfield Primary School | 99,973 | 150,485 |
| Levendale Primary School | 90,968 | 124,535 |
| Bewley Primary School | 263,000 | 328,706 |
| Central services | 122,264 | 73,445 |
| | <u>1,811,056</u> | <u>2,310,763</u> |
| Total before fixed assets fund and pension reserve | 1,811,056 | 2,310,763 |
| Restricted fixed asset fund | 22,075,226 | 22,405,171 |
| Pension reserve | 1,482,000 | (553,000) |
| | <u>25,368,282</u> | <u>24,162,934</u> |
| Total funds | <u><u>25,368,282</u></u> | <u><u>24,162,934</u></u> |

Total cost analysis by academy

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

| | Teaching and educational support staff | Other support staff costs | Educational supplies | Other costs excluding depreciation | Total 2023 | Total 2022 |
|---------------------------------|--|------------------------------|-------------------------|--|--------------------------|--------------------------|
| | £ | £ | £ | £ | £ | £ |
| Conyers School | 6,258,630 | 1,133,952 | 818,120 | 1,277,941 | 9,488,643 | 7,850,853 |
| Bader Primary School | 1,456,064 | 258,902 | 288,153 | 109,307 | 2,112,426 | 1,920,630 |
| Kirklevington Primary School | 566,792 | 76,500 | 155,670 | 60,686 | 859,648 | 802,722 |
| Layfield Primary School | 795,196 | 125,936 | 189,711 | 73,390 | 1,184,233 | 1,108,627 |
| Levendale Primary School | 728,129 | 125,487 | 164,880 | 73,407 | 1,091,903 | 985,244 |
| Bewley Primary School | 1,614,437 | 230,704 | 240,463 | 118,075 | 2,203,679 | 2,104,854 |
| Central services | 273,331 | 226,400 | 48,361 | 14,278 | 562,370 | 544,164 |
| | <u>11,692,579</u> | <u>2,177,881</u> | <u>1,905,358</u> | <u>1,727,084</u> | <u>17,502,902</u> | <u>15,317,094</u> |
| | <u><u>11,692,579</u></u> | <u><u>2,177,881</u></u> | <u><u>1,905,358</u></u> | <u><u>1,727,084</u></u> | <u><u>17,502,902</u></u> | <u><u>15,317,094</u></u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2023 are represented by: | | | | |
| Tangible fixed assets | - | - | 22,045,302 | 22,045,302 |
| Current assets | 1,295,817 | 1,958,366 | 29,924 | 3,284,107 |
| Current liabilities | (60,713) | (1,329,312) | - | (1,390,025) |
| Non-current liabilities | - | (53,102) | - | (53,102) |
| Pension scheme asset | - | 1,482,000 | - | 1,482,000 |
| Total net assets | <u>1,235,104</u> | <u>2,057,952</u> | <u>22,075,226</u> | <u>25,368,282</u> |

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 22,270,846 | 22,270,846 |
| Current assets | 1,124,975 | 2,760,337 | 183,825 | 4,069,137 |
| Current liabilities | - | (1,574,549) | (2,380) | (1,576,929) |
| Non-current liabilities | - | - | (47,120) | (47,120) |
| Pension scheme liability | - | (553,000) | - | (553,000) |
| Total net assets | <u>1,124,975</u> | <u>632,788</u> | <u>22,405,171</u> | <u>24,162,934</u> |

21 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 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £246,695 were payable to the schemes at 31 August 2023 (2022: £216,792) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,597,3778 (2022: £1,476,753).

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

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.50% for employers and 5.50 to 12.50% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

| Total contributions made | 2023 £ | 2022 £ |
|--------------------------|-----------|-----------|
| Employer's contributions | 520,000 | 472,000 |
| Employees' contributions | 172,000 | 155,000 |
| Total contributions | 692,000 | 627,000 |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

| Principal actuarial assumptions | 2023 % | 2022 % |
|--|-----------|-----------|
| Rate of increase in salaries | 4.00 | 4.20 |
| Rate of increase for pensions in payment/inflation | 3.00 | 3.20 |
| Discount rate for scheme liabilities | 5.20 | 4.30 |

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

| | 2023 Years | 2022 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 20.50 | 21.70 |
| - Females | 23.50 | 23.50 |
| Retiring in 20 years | | |
| - Males | 21.30 | 22.90 |
| - Females | 25.00 | 25.30 |

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

| | 2023 | 2022 |
|-------------------------------|-----------|-----------|
| Discount rate + 0.1% | (212,160) | (251,120) |
| Discount rate - 0.1% | 212,160 | 251,120 |
| Mortality assumption + 1 year | 424,320 | 502,240 |
| Mortality assumption - 1 year | (424,320) | (502,240) |
| CPI rate + 0.1% | (212,160) | (251,120) |
| CPI rate - 0.1% | 212,160 | 251,120 |

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

| | 2023 Fair value £ | 2022 Fair value £ |
|------------------------------|-------------------------|-------------------------|
| Equities | 8,826,000 | 8,162,000 |
| Cash and other liquid assets | 483,000 | 1,680,000 |
| Property | 2,781,000 | 2,161,000 |
| Total market value of assets | 12,090,000 | 12,003,000 |

The actual return on scheme assets was £(395,000) (2022: £680,000).

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

| 21 Pension and similar obligations | (Continued) | |
|--|--------------------|-------------|
| Amount recognised in the statement of financial activities | 2023 | 2022 |
| | £ | £ |
| Current service cost | 826,000 | 1,425,000 |
| Interest income | (520,000) | (188,000) |
| Interest cost | 550,000 | 318,000 |
| | <hr/> | <hr/> |
| Total operating charge | 856,000 | 1,555,000 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Changes in the present value of defined benefit obligations | | 2023 |
| | | £ |
| At 1 September 2022 | | 12,556,000 |
| Current service cost | | 826,000 |
| Interest cost | | 550,000 |
| Employee contributions | | 172,000 |
| Actuarial gain | | (3,286,000) |
| Benefits paid | | (210,000) |
| | | <hr/> |
| At 31 August 2023 | | 10,608,000 |
| | | <hr/> <hr/> |
| Changes in the fair value of the academy trust's share of scheme assets | | 2023 |
| | | £ |
| At 1 September 2022 | | 12,003,000 |
| Interest income | | 520,000 |
| Actuarial loss/(gain) | | (915,000) |
| Employer contributions | | 520,000 |
| Employee contributions | | 172,000 |
| Benefits paid | | (210,000) |
| | | <hr/> |
| At 31 August 2023 | | 12,090,000 |
| | | <hr/> <hr/> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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

| | Notes | 2023 £ | 2022 £ |
|---|-------|------------------|----------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | | (1,165,652) | (766,023) |
| Adjusted for: | | | |
| Capital grants from DfE and other capital income | | (76,018) | (470,119) |
| Investment income receivable | 6 | (36,175) | (434) |
| Defined benefit pension costs less contributions payable | 21 | 306,000 | 953,000 |
| Defined benefit pension scheme finance cost | 21 | 30,000 | 130,000 |
| Depreciation of tangible fixed assets | | 550,695 | 474,283 |
| Decrease in stocks | | 26,106 | 4,949 |
| Decrease/(increase) in debtors | | 318,901 | (292,650) |
| (Decrease)/increase in creditors | | (192,135) | 527,407 |
| Net cash (used in)/provided by operating activities | | (238,278) | 560,413 |

23 Analysis of changes in net funds

| | 1 September 2022 £ | Cash flows £ | 31 August 2023 £ |
|--|--------------------------|------------------|------------------------|
| Cash | 3,147,467 | (440,023) | 2,707,444 |
| Loans falling due within one year | (2,380) | (5,231) | (7,611) |
| Loans falling due after more than one year | (47,120) | (5,982) | (53,102) |
| | <u>3,097,967</u> | <u>(451,236)</u> | <u>2,646,731</u> |

24 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2023 £ | 2022 £ |
|-----------------------------------|----------------|----------------|
| Amounts due within one year | 226,783 | 142,796 |
| Amounts due in two and five years | 304,765 | 135,268 |
| | <u>531,548</u> | <u>278,064</u> |

THE 1590 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

25 Capital commitments

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Expenditure contracted for but not provided in the accounts | - | 311,888 |

26 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

27 Members' liability

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

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £10,140 and disbursed £12,764 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2022 are £12,627 received, £12,627 disbursed and £nil included in other creditors.