

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2017

Members	Mrs K Elen Mr L Hampton-Whitehead Mr D Hogg Mr C Germaine Mr D Jayne (resigned 8 September 2017)
Trustees	Mrs K Elen, Chair, Parent Trustee ¹ Mr L Hampton-Whitehead, Parent Trustee ¹ Mr D Hogg, Trustee Mr C Germaine, Trustee Mr D Jayne, Parent Trustee (resigned 8th September 2017) Mrs J Gooch, Trustee ¹ Mrs H Kelly, Parent Trustee Mr K Timney, Staff Trustee Mr K Urch, Trustee ¹ Mr A Johnson, Principal and Accounting Officer (appointed 1st September 2016) ¹ Mrs A Coole, Trustee (appointed 26th September 2016) Mr J O'Keefe, Trustee (appointed 26th September 2016) ¹ Ms K Steger, Staff Trustee (appointed 23rd January 2017) Mr G Spaul, Parent Trustee (appointed 25th September 2017)
	¹ Member of the Business and Finance Group
Company secretary	Mrs A Price
Senior leadership team	Mr A Johnson, Principal (appointed 1st September 2016) Mrs A Price, Business Manager Mr R Phillips, Vice-Principal (appointed 1st September 2016) Mr M John, Assistant Principal Miss L Rogers, Faculty Director - Sixth Form Mr D Williams, Faculty Director - Communications Mrs M Hood, Senior Teacher (appointed 1st September 2016) Miss K Gordelier, Senior Teacher (appointed 1st September 2016)
Company name	Newent Community School and Sixth Form Centre
Principal and registered office	Watery Lane Newent Gloucestershire GL18 1QF
Company registered number	08153177
Statutory auditor	Davies Mayers Barnett Audit Services Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31ST AUGUST 2017**

Advisers (continued)

Bankers	Lloyds Bank Plc 19 East Gate Street Gloucester Gloucestershire GL1 1NU
Solicitors	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of Newent Community School and Sixth Form Centre (the Academy Trust) for the period of 1st September 2016 to 31st August 2017. The annual report serves as the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy for students aged 11-19 serving the town of Newent and surrounding villages including a proportion of students travelling into school from the city of Gloucester by bus to attend the school. It has a capacity for 1,400 students but currently has a roll of 834 in the school census in October 2017.

We are a high achieving school at the very heart of our community. We have a strong tradition of academic success within a positive and caring learning environment based upon mutual trust and respect.

At Newent we strive to develop confident, well informed and caring young adults who have self-belief and fully participate in their local, national and international communities; the academy provides a wealth of additional opportunities for students to achieve these aims.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Newent Community School and Sixth Form Centre are also directors of the charitable company for the purposes of company law. The charitable company is known as Newent Community School and Sixth Form Centre.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' liability

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

Trustees' indemnities

The Academy Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Method of recruitment and appointment or election of Trustees

The number of Trustees shall be not less than three, and shall include the Principal. The Members of the Trust are responsible for the appointment of up to 8 Trustees. Up to 7, and at least 2, Parent Trustees are elected by parents of registered students at the school. A Parent Trustee must be a parent of a student at the School at the time when (s)he is elected. The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Board of Trustees if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Trustee, the Board of Trustees shall appoint a person who is the parent of a registered student at the school; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2017

Method of recruitment and appointment or election of Trustees (continued)

Up to 4 Staff Trustees may be appointed through such process as the Members of the Trust may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees. The Trustees may appoint up to 3 Co-opted Trustees. The Secretary of State may also appoint additional Trustees under certain circumstances.

The term of office for any Trustee shall be 4 years, except for the Principal. Subject to remaining eligible, Trustees may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

Trustees are appointed or elected based on the skills that they will bring to the Board of Trustees. On appointment, Trustees receive information relating to the Trust, their specific role and responsibility upon the Board of Trustees, and attend a briefing and receive an induction pack on the role and responsibilities of Trustees. Trustees are given the opportunity and encouraged to attend training sessions on relevant issues and changes in legislation etc, including sessions which run before each full Trustees' meeting. The topics covered are regularly reviewed to ensure that Trustees are kept up to date as far as possible.

Organisational structure

The Board of Trustees is responsible for the strategic direction of the School; it meets at least 3 times per year.

The Board of Trustees and other Trustees with specific duties/tasks make up the Full Governing Body of the Academy Trust.

The Full Governing Body and its delegated Trustee Groups (Strategy, Standards, Community, Business and Finance, Personnel and Resources) review the Academy Trust's progress towards its educational objectives and results. It also approves major expenditure requests on the recommendation of the Business and Finance Group, and sets, and makes the relevant recommendations regarding the budget for the following year to the Board of Trustees. The Business and Finance Group meets at least 5 times per year.

Other Trustees carry out delegated responsibilities in particular areas including:

Child Protection Trustee
Children in Care Trustee
SEN Trustee
Pupil Premium Trustee
Health and Safety Trustee
Safeguarding Trustee

In addition, three Trustees have been appointed to the Principal's Performance Management Review Panel.

Terms of reference, roles and responsibilities and training for each Trustee are reviewed and agreed at the beginning of the year.

The Principal is the designated Accounting Officer of the Academy Trust and has overall responsibility for the day-to-day financial management of the charitable company. The Principal has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own teams within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Principal manages the Academy Trust on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets twice a week to discuss emerging matters and one extended meeting to develop strategies for future development to be put to the appropriate Trustee Group or the Full Governing Body as appropriate and as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Principal to lead and manage key strategic and operational aspects of the Academy Trust.

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TRUSTEES' REPORT (continued)
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Arrangements for setting pay and remuneration of key management personnel

The Academy Trust has a Pay Policy which is reviewed annually. The Policy sets out the arrangements and detailed procedure for the setting and reviewing of pay for all staff including key individuals.

The pay scale for each key position is reviewed as and when the post becomes vacant when thorough benchmarking is undertaken both on a regional and national basis. Reference is also made to the School Teachers' Pay and Conditions Document.

A robust Teacher Appraisal Protocol, underpinning the Pay Policy, is operated in full throughout the Academy. The cycle of review meetings are completed by 31st October with recommendations for pay amendments made by the Principal to the relevant Trustees meeting as soon as possible after 31st October.

In addition, the Principal's Performance Management Review Panel which is supported by an external consultant provides recommendations to the Trustees in line with the School's Pay Policy.

Related parties and other connected charities and organisations

During the year the Academy Trust created a wholly owned subsidiary trading company, Newent Community Sports Limited, which commenced trading on 1st May 2017. This company has a first accounting period of 16 months ending 31st August 2018. The purpose of the subsidiary is to facilitate the letting of the Astroturf, tennis courts and all external pitches. In addition, the management of The Clubhouse is included within the scope of the company's activities.

The school has continued with the collaboration with Christopher Whitehead Language College to undertake independent, external reviews on a number of areas including Subject Reviews and Improving Teaching and Learning.

The Academy Trust again took part in the Tujuane project which links with St George's Secondary School near Kisumu in Kenya. This project also involves Dene Magna School and Lakers School.

The Friends of Newent Community School is a parent, staff and friends of the Academy Trust association which raises funds to support the activities of the Academy Trust. This is a separate registered charity and maintains its own accounts.

The Principal is an ex officio member of the Gloucestershire Association of Secondary Headteachers. The Academy Trust benefits from receiving information directly from the Gloucestershire Schools Forum via membership of this Association.

The Business Manager is an Executive member of the Gloucestershire Association of School Business Management. The Academy Trust benefits from receiving information from leading departments in Local Authority and Education Funding Agency via membership of this Association.

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TRUSTEES' REPORT (continued)
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OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy Trust saw change at the commencement of the year following a successful recruitment process, in February 2016, for new a permanent Principal and, therefore, the whole school community were fully aware of the change of leadership to Mr Johnson, as Principal, would happen on 1st September 2016.

In the Summer Term the permanent appointment of Mr Phillips was confirmed, following a recruitment process, as Vice Principal. Mr Phillips commenced employment with the Academy Trust on 1st September 2016.

The Academy Trust's objects are specifically restricted to the following:

- to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy Trust"); and
- to promote, for the benefit of the inhabitants of Newent and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and the object of improving the condition of life of the said inhabitants.

The Academy Trust is committed to creating a safe, engaging and vibrant learning environment which cultivates open-minded, aspirational global citizens through a lifelong love of learning, alongside partnerships which empower, inspire and achieve success within the School and the local, national and international communities which we are involved in.

The Academy Trust prioritises academic achievement and progress and we constantly strive to further improve teaching and learning. High quality teaching and learning goes on across all subjects, age groups and abilities, as evidenced through rigorous monitoring as well as examination results. Lessons are planned according to students' needs to ensure progress towards their individual targets. Students are challenged and stimulated - the more able and talented are extended and those with additional needs are supported.

The Academy Trust aims to develop its students as future global citizens and ensure that they have a wide range of opportunities: as well as House and whole School activities, the Academy Trust also offers a wide range of regular extra-curricular clubs during the day and after school, and students are encouraged to get involved.

The Academy Trust places a great deal of importance on inclusion and support. The quality of the pastoral care, guidance and the social inclusion of students are key features of the ethos and community of the School.

The School has continued to develop the parental engagement on all levels and during 2017 has undertaken a series of surveys during Parents' Evenings. The results are extremely encouraging with:

98% of parents confirming that their child feels safe and secure at the school
96% of parents confirming their child is happy at the school
99% of parents confirming they are satisfied with the standard of care and support their child receives
97% of parents confirming they are satisfied with the quality of teaching that their child receives
96% of parents confirming they are satisfied with the level of challenge in their child's lessons

These results are very pleasing but simply confirm Ofsted's findings.

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Objectives, strategies and activities

This was the fifth year of operation for Newent Community School and Sixth Form Centre as an Academy Trust.

The Ofsted judgement in February 2014 rated the school as “good” in each of the four categories of Progress and Achievement, Quality of Teaching and Learning, Behaviour and Safety and Leadership and Management. The period following this judgement had a continued focus of building progress and maintaining at least an Ofsted “good” judgement at the next inspection however, the clear objective of the new Senior Leadership Team, under the management of Mr Johnson, is to continue the school's improvement journey and develop strategies to achieve an “outstanding” judgement.

Specific priorities in the new academic year are:

- To ensure teachers are using data to ensure challenge in every lesson for all students and to improve the effectiveness of feedback given
- To continue to increase numbers coming into Year 7
- To develop cross party working, with Trustees and members of the Senior Leadership Team, to investigate all aspects of soft or hard federations and forming or joining a Multi Academy Trust
- To continue to embed the use of the platform “MILK”, commenced September 2016, which allows parents to access to information such as attendance and behaviour on their students as well as acting as a full communication tool between the school and home
- To continue to develop the Sixth Form including to increase numbers within both Year 12 and Year 13
- To carry on the work of developing the Academy Trust as a Hub of Excellence which started during 2016 / 2017 linking with external agencies and companies to benefit the students and wider school company

Alongside the core objectives in terms of student progress and achievement, not only in the core subjects but across the curriculum and in extra-curricular areas, the Academy Trust is also committed to its role at the heart of the local community. The Academy Trust sees an active policy of engagement with the wider community, including our feeder primary schools and local secondary schools and FE colleges, as key to success in the medium and longer term.

The Academy Trust is committed to equal opportunities for all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

The Academy Trust continues to be involved in a wide range of activities in support of local, national and international charities, including The Prime Minister's National Dementia Initiative, the Gloucestershire Healthy Living and Learning 'Pink Curriculum' and non-uniform days, tutorial charity fundraising events and whole School events to raise funds for Children in Need, Macmillan Cancer Nurses and a range of local charities.

As part of these activities the Academy Trust recently achieved recognition as the first secondary school in Gloucestershire to achieve the GHLL Mental Health Champion Award.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Charity's aims and objectives and in planning future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

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TRUSTEES' REPORT (continued)
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STRATEGIC REPORT

Achievements and performance

During the period following the School's Ofsted "good" judgement the focus has been on embedding progress and maintaining at least an Ofsted "good" judgement at the next inspection.

Our pupil admission number (PAN) remains at 239, however, due to the falling demographic this figure was not achieved in September 2016. It is particularly pleasing that, only a year after the new Senior Leadership Team was formed, the student intake in September 2017 exceeded the previous year. There is a strategic target to continue to grow the student intake annually which is evidenced in the marketing campaigns.

In the key areas of student progress and attainment at GCSE level the school continued to improve. The headline targets and results for 2017 are shown below alongside actual results for the preceding years.

The School is extremely pleased with the performance under the new Government accountability measures which are detailed below:

Progress 8 score	-0.12
Attainment 8 score	44.45
Percentage of pupils who have achieved grade C (level 4) or above in English and Mathematics at the end of KS4	64%

A quarter of our students, at GCSE Level, achieved the top grades of 9-7 in at least one of their English qualifications. In total, 22 grade 9s were awarded to students across the year group. This is an exceptional achievement since the new grade 9 recognises the very highest performing students from across the country. Over 16% of all grades achieved were either a grade 9-7 or A*-A.

A level results were in line with national benchmarks, confirming Ofsted's evaluation of the sixth form as "good". 2017 was another very successful year for our Year 13 students with a 98% pass rate at A Level. It is particularly encouraging that we have seen an increase of 5% points in our A*-C Pass rate.

Key Performance Indicators

The Academy Trust achieved the following results with regard to its other key performance indicators:

- The overall attendance level of 94.3% was a significant increase on previous year's of 93.1% and the best figure in the past eight years. This improvement clearly supports the policies introduced recently by the new Principal particularly as the Term 1 for 2017/2018 is 95.8%.
- The student recruitment data reflected a decrease from 937 to 850 students in all year groups. However, the Year 7 numbers increased to 147 students for September 2017, from 135 the previous year and 117 in September 2015, which vindicated the marketing strategy implemented during the year
- The Academy's financial year resulted in a revenue surplus of £62,640 (before pension movements in the year), compared with a budgeted in year deficit of £111,000.

Additional highlights during the year included:

- Sporting success at county, regional and national level for a number of individual students and teams
- The Kenya exchange project continued to bring the whole School together to raise funds, support and awareness. In partnership with Lakers School and Dene Magna Academy the three schools very successfully undertook a joint student exchange visit to St George's School
- Full refurbishment of the school's kitchen which was completed on time with the facility reopening on 1 September 2016

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- Successful ESFA Condition Improvement Fund applications in April 2017 relating to a new build replacing the two temporary buildings and replacement of windows (Phase 2) within the main block

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies included in the notes to the financial statements.

Financial review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust achieved a restricted revenue surplus including transfers (before pension adjustments) of £63,831 in the year, which increased the restricted revenue reserves to carry forward to £549,146 (excluding the pension reserve). In addition, the Academy Trust has unrestricted revenue funds to carry forward of £133,753. Total Revenue income, including the General Annual Grant (GAG) as well as other income, was in line with budget. However, Revenue expenditure was lower than budget as a result of effective management and strong financial controls. The Academy Trust did not experience any difficulties with regard to cash flow during the financial year.

Total capital income was £912,762, which includes a successful Capital Improvement Fund bid of £537,946 for the replacement of the two temporary buildings with a new build which will be designated as our Sixth Form Centre and £354,235 for the replacement of windows (phase 2) in the main building. In accordance with the Academies Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31st August 2017 the net book value of fixed assets was £19,575,223. Movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

As previously noted the Academy Trust opened a wholly own subsidiary company, Newent Community Sports Limited, which commenced trading 1st May 2017. The income and expenditure of this subsidiary company, for the four months to 31st August 2017, are incorporated within these financial statements.

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. Reserves are needed to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition, the changes and improvements required in line with the Development Plan, alongside the anticipated impact of reduced student numbers, will require adjustments to the Academy Trust's management and staffing structure and resources which will involve short term costs, including some one-off items, over and above the Academy Trust's normal revenue expenditure.

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With this in mind the Trustees believe that the Academy Trust's current level of free reserves of £133,753 (total funds less the amount held in fixed assets and restricted funds) will be crucial to support the Academy Trust's activities in the coming years. There are a number of restricted funds representing the residual unspent element of grants and other income received during the year totalling £549,146 which will be spent for the specific purposes concerned. There was also a negative pension reserve in respect of the Local Government Pension Scheme amounting to £2,004,000 at the year end, however, this deficit reduced during the period ending 31st August 2017.

Investment policy

The Academy Trust considered options on its Investment Policy in 2014/2015 and having agreed roll out in 2015/2016 of using a 32 day notice investment account, continued with this strategic decision throughout 2016/2017. This has been success in raising additional financial resources through interest payments and is continuing to be used currently.

The policy will aim to ensure that any funds that the Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy Trust's income but with minimal risk. The Academy Trust does not consider the investment of surplus funds as a primary activity.

Principal risks and uncertainties

The Academy Trust operates a Risk Management and Assessment Protocol and has established a risk register and risk review process. This process will be further defined over the coming year to ensure effective control measures and action to mitigate risks are put in place.

The principal risks are detailed below which are in part inter-related:

- Failure to maintain the momentum of change and improvement implemented to achieve the Ofsted's "Good" category
- Unsatisfactory improvements to Governance including a failure to recruit Trustees with the necessary skills and experience
- A shortfall in funding as a result of falling rolls
- Increased local competition for lower School and Sixth Form students leading to a reduction in student numbers
- A failure of the Academy Trust's IT systems

Key controls in place:

- From September 2016 the School has been working with RM Education who are delivering a Managed IT Service to provide greater security against any potential IT systems failure
- An organisational structure with defined roles, responsibilities and authorisation levels
- Financial planning, budgeting and management reporting, highlighting areas of financial risk
- A Marketing and PR programme
- Formal written and published policies and protocols including a Business Continuity Plan
- With regard to pension risks, the Academy Trust has recognised its share of the Local Government Pension Scheme (LGPS) deficit in accordance with Financial Reporting Standard 102.

In addition to the risk and controls that have been identified above, the decision by Trustees, given the opportunity that presented itself, to appoint an experienced Principal from September 2016 cannot be ignored.

To ensure the Academy's risk of fraud and mismanagement of funds is maintained we continue to engage the services of Mr K Jollans as an internal reviewer. This involves termly visits to carry out a laid out programme of checks on financial systems and records. The report produced following each visit is made available to all Trustees and discussed in detail, as appropriate, by the Business and Finance Governors Group.

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As part of their work, the Business and Finance Governors Group review the financial performance through the use of a Monthly Management Pack. This includes a review of cashflow together with actual income and expenditure against budget.

Plans for future periods

The medium and long term plans which will provide the focus of the Academy Trust's activity during 2017/2018 are laid down in the Development Plan which has been reviewed in full as a result of the appointment of the new Principal from September 2016.

A number of organisational changes have taken place with effect from September 2016 which are intended to enhance the school's provision in the coming year. These include:

- Further alterations to the curriculum to respond to the new National Curriculum.
- The continued roll out of the three year GCSE courses in response to the changes in specifications and at post 16 to reflect the changes to course organisation and specifications.
- The rise in the participation age and the continued emphasis on the core subjects of English, Maths and Science
- A number of changes in the way the Academy Trust supports students with Special Education Needs and students that attract Pupil Premium Funding.
- The reduction in student numbers, which is particularly evident in the junior years, will make it necessary for the Academy Trust to continue restructuring in order to save costs in line with reduced income and to ensure that the organisational structure is appropriate and fit for purpose.
- The introduction of a safeguarding reporting system, My Concern, from September 2017 which will be available to all staff who wish to report, or update the record of, a student for whom they have a specific concern

Auditor

Davies Mayers Barnett LLP resigned as auditors on 30th October 2017 and were replaced by Davies Mayers Barnett Audit Services, a trading name of Baldwins Audit Services Limited.

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.

The Trustees' report, incorporating the strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2017 and signed on the Board's behalf by:


.....
Mrs K Elen
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Newent Community School and Sixth Form Centre and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K Elen, Chair, Parent Trustee	5	5
Mr L Hampton-Whitehead, Parent Trustee	3	5
Mr D Hogg, Trustee	4	5
Mr C Germaine, Trustee	5	5
Mr D Jayne, Parent Trustee	3	5
Mrs J Gooch, Trustee	3	5
Mrs H Kelly, Parent Trustee	5	5
Mr K Timney, Staff Trustee	5	5
Mr K Urch, Trustee	5	5
Mr A Johnson, Principal and Accounting Officer	5	5
Mrs A Coole, Trustee	4	5
Mr J O'Keefe, Trustee	4	5
Ms K Steger, Staff Trustee	4	4

The Business and Finance Group is a sub-committee of the main Board of Trustees. Its principal purpose is as follows along with the standard regularity, monitoring and reviewing aspects of any committee function:

- To assist the decision making of the governing body.
- To consider the Academy Trust's indicative funding and to assess its implications for the Academy Trust, in consultation with the Principal, drawing any matters of significance or concern to the attention of the governing body.
- To consider and recommend acceptance/non-acceptance of the Academy Trust's budget at the start of each Financial year.
- To contribute to the formulation of the Academy Trust's development plan, in consultation with the Principal, with the stated and agreed aims and objective of the Academy Trust.

The biggest challenge that the committee has had to respond to and fully understand is the on going financial constraints due to the reduction in student numbers. The Trustees have undertaken this function with a good balance of challenge and support throughout the year.

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GOVERNANCE STATEMENT (continued)

Attendance at Business and Finance meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mrs K Elen, Chair, Parent Trustee	7	7
Mr L Hampton-Whitehead, Parent Trustee	5	7
Mrs J Gooch, Trustee	5	7
Mr A Johnson, Principal and Accounting Officer	7	7
Mr K Urch, Trustee	6	7
Mr J O'Keefe, Trustee	5	7

Furthermore there are four other sub-committee groups of the main Board of Trustees. Each in turn have a vital part to play in demonstrating standard regularity, monitoring and reviewing.

Attendance at all sub-committee meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Mrs K Elen, Chair, Parent Trustee	8	8
Mr C Germaine, Trustee	11	12
Mr L Hampton-Whitehead, Parent Trustee	12	12
Mr D Hogg, Trustee	10	12
Mr D Jayne, Parent Trustee	4	8
Mr A Johnson, Principal and Accounting Officer	8	8
Mrs A Coole, Trustee	7	7
Mrs J Gooch, Trustee	3	4
Mrs H Kelly, Parent Trustee	4	4
Mr J O'Keefe, Trustee	4	4
Ms K Steger, Staff Trustee	3	3
Mr K Timney, Staff Trustee	4	4
Mr K Urch, Trustee	4	4

In September 2016 two new Trustees, with a wealth of relevant experience and skills, joined the Governing Body following a successful targeted recruitment process. In addition, a further Staff Trustee was appointed as a result of the required process.

There have been no key changes to the composition of the Governing Body during the period 1st September 2016 to 31st August 2017.

The Board has continued to undergone both formal and informal training which has been delivered by an NGA consultant. Further training of Trustees to have appropriate skills and expertise areas is on-going based on analysis of the NGA skills audit that all Trustees have completed.

The Chair was instrumental in leading the Governors through the Principal recruitment process with the extremely positive appointment of an experienced Principal key to the further improvement of the school. This appointment has already proved extremely successful as the increase in Year 7 student numbers, improvement in examination results, attendance, etc. have clearly demonstrated.

Governance Reviews

The Board are committed to undergoing regular reviews and enlisted the support of a National Leader of Governance to assist with the review during this year.

During the financial year the Chair instigated a review of the Governing body using the NGA framework of 20 questions. Results of this review have been analysed and areas for development identified. Work is ongoing to meet these development needs.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by applying the four principles of value for money:

- Challenge - Is the School's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the School's student performance and financial performance compare? How does it compare with other schools? How does it compare with similar schools?
- Consult - How does the School seek the views of stakeholders about the services the School provides?
- Compete - How does the School secure efficient and effective services? Are services of appropriate quality, economic?

Therefore, the Trustees, and the Senior Leadership Team and Managers, will:

- make comparisons with other similar schools using data provided by GASH, GASBM and the Government, eg benchmarking tools, quality of teaching and learning, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost, eg setting of annual student achievement targets.
- require suppliers to compete on grounds of cost, and quality/ suitability of services/ products/ backup.
- consult individuals and organisations on quality/ suitability of service we provide to parents and students, and services we receive from providers, eg sex and relationship education, student reports, assigned inspector, Ofsted, finance consultant.

The Trustees and Senior Leadership Team and Managers apply the principles of value for money when making decisions to improve the educational outcomes of the school by:

- the allocation of resources to best promote the aims and values of the School;
- the targeting of resources to best improve standards and the quality of provision; and
- the use of resources to best support the various educational needs of all students.

The Governing Body is accountable for the way in which the School's resources are allocated to meet the objectives set out in the School Development Plan. Trustees need to secure the best possible outcome for students, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the School's achievements and services.

The Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Trustees of the B&F Group receive and approve the Annual Accounts and External Auditors' Management Letter. The Governing Body receive the signed Annual Accounts with all related documentation.

The Business Manager, supported by the Finance Office, is always striving to find value for money in terms of suitability, efficiency, time and cost. Measures already in place are details in the Financial Policy which is permanently available for all staff and Trustees.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis and that long term contracts remain competitive.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Newent Community School and Sixth Form Centre for the year 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Business and Finance Group of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mr Ken Jollans as internal reviewer to undertake a programme of checks.

In addition, the school developed a peer review programme within a triad during the year. This review resulted in a detailed report with a comprehensive set of recommendations which will be subject to regular review within a timetable meeting structure.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Budget setting and review process
- Capital funds and work undertaken
- Financial procedures
- VAT procedures
- Procurement of Contracts
- Payroll systems

The scheduled programme of work has been delivered in full during the year.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

On a termly basis, the internal reviewer reports to the Board of Trustees through the Business and Finance Group on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During the year the reviewer attended a Business and Finance Meeting to report on the progress made over the year and provide recommendations for any necessary improvements.

Review of Effectiveness

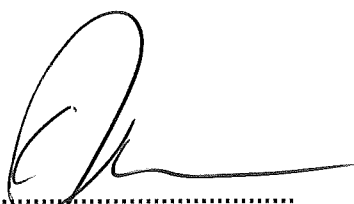
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2017 and signed on their behalf, by:


.....
Mrs K Elen
Chair of Trustees


.....
Mr A Johnson
Principal and Accounting Officer

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Newent Community School and Sixth Form Centre 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 ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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.



.....
Mr A Johnson
Principal and Accounting Officer

Date: 18 December 2017

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2017

The Trustees (who act as governors of Newent Community School and Sixth Form Centre, and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2017 and signed on its behalf by:

.....
Mrs K Elen
Chair of Trustees

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE**

Opinion

We have audited the financial statements of Newent Community School and Sixth Form Centre (the 'Academy Trust') and its subsidiary (the 'Group') for the year ended 31st August 2017 which comprise the Consolidated statement of financial activities incorporating income and expenditure account, the Consolidated and Academy Trust's balance sheets, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Academy Trust's affairs as at 31st August 2017 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Strategic report and the Directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Academy Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report..

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE**

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Nicola Smith (Senior statutory auditor)

for and on behalf of

Davies Mayers Barnett Audit Services

Statutory Auditors

Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS
18 December 2017

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NEWENT
COMMUNITY SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 15th November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newent Community School and Sixth Form Centre during the year 1st September 2016 to 31st August 2017 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 Newent Community School and Sixth Form Centre and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Newent Community School and Sixth Form Centre and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newent Community School and Sixth Form Centre and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newent Community School and Sixth Form Centre's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Newent Community School and Sixth Form Centre's funding agreement with the Secretary of State for Education dated 31st August 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1st September 2016 to 31st August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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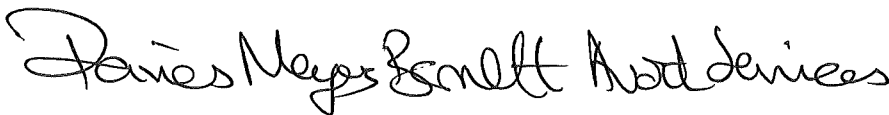
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NEWENT
COMMUNITY SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS FUNDING
AGENCY (continued)**

In this regard, we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the intended purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of correspondence with the ESFA regarding Academy Trust governance matters during the year; and
- a general review and discussion of the Academy Trust's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1st September 2016 to 31st August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Davies Mayers Barnett Audit Services

Reporting Accountants

Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

18 December 2017

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	1,614	912,762	914,376	342,298
Charitable activities:	3					
Funding for the Academy						
Trust's educational operations		181,508	4,912,867	-	5,094,375	5,654,590
Other trading activities	4	77,526	41,875	-	119,401	137,392
Investments	5	1,557	-	-	1,557	2,541
TOTAL INCOME		260,591	4,956,356	912,762	6,129,709	6,136,821
EXPENDITURE ON:						
Raising funds		43,654	37,233	-	80,887	101,555
Charitable activities:						
Academy Trust's educational						
operations		215,311	5,014,435	485,110	5,714,856	6,261,911
TOTAL EXPENDITURE	6	258,965	5,051,668	485,110	5,795,743	6,363,466
NET INCOME /						
(EXPENDITURE) BEFORE						
TRANSFERS						
Transfers between funds	17	1,626 (2,817)	(95,312) 21,143	427,652 (18,326)	333,966 -	(226,645) -
NET INCOME /		(1,191)	(74,169)	409,326	333,966	(226,645)
(EXPENDITURE)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	417,000	-	417,000	(414,000)
NET MOVEMENT IN FUNDS		(1,191)	342,831	409,326	750,966	(640,645)
RECONCILIATION OF FUNDS:						
Total funds brought forward		134,944	(1,797,685)	20,035,909	18,373,168	19,013,813
TOTAL FUNDS CARRIED FORWARD		133,753	(1,454,854)	20,445,235	19,124,134	18,373,168

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

REGISTERED NUMBER: 08153177

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	2016 £
FIXED ASSETS				
Tangible assets	12		19,575,223	19,949,479
CURRENT ASSETS				
Debtors	15	625,650	297,499	
Cash at bank and in hand		1,195,974	905,959	
		1,821,624	1,203,458	
CREDITORS: amounts falling due within one year	16	(268,713)	(496,769)	
NET CURRENT ASSETS			1,552,911	706,689
TOTAL ASSETS LESS CURRENT LIABILITIES			21,128,134	20,656,168
Defined benefit pension scheme liability	20		(2,004,000)	(2,283,000)
TOTAL NET ASSETS			19,124,134	18,373,168
FUNDS OF THE ACADEMY TRUST				
Restricted funds:				
Restricted income funds	17	549,146	485,315	
Restricted fixed asset funds	17	20,445,235	20,035,909	
Restricted funds excluding pension liability		20,994,381	20,521,224	
Pension reserve		(2,004,000)	(2,283,000)	
Total restricted funds			18,990,381	18,238,224
Unrestricted income funds	17		133,753	134,944
TOTAL FUNDS			19,124,134	18,373,168

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:

.....
Mrs K Elen
Chair of Trustees

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

REGISTERED NUMBER: 08153177

ACADEMY TRUST BALANCE SHEET

AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		19,575,223		19,949,479
Investments	13		1		-
			19,575,224		19,949,479
CURRENT ASSETS					
Debtors	15	623,210		297,499	
Cash at bank and in hand		1,179,821		905,959	
		1,803,031		1,203,458	
CREDITORS: amounts falling due within one year	16	(263,092)		(496,769)	
NET CURRENT ASSETS			1,539,939		706,689
TOTAL ASSETS LESS CURRENT LIABILITIES			21,115,163		20,656,168
Defined benefit pension scheme liability	20		(2,004,000)		(2,283,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			19,111,163		18,373,168
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds		549,146		485,315	
Restricted fixed asset funds		20,445,235		20,035,909	
Restricted funds excluding pension asset		20,994,381		20,521,224	
Pension reserve		(2,004,000)		(2,283,000)	
Total restricted funds			18,990,381		18,238,224
Unrestricted funds			120,782		134,944
TOTAL FUNDS			19,111,163		18,373,168

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:

..........
Mrs K Elen
Chair of Trustees

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	<u>(156,108)</u>	<u>357,509</u>
Cash flows from investing activities:			
Interest receivable		1,557	2,541
Purchase of tangible fixed assets		(28,655)	(587,795)
Capital grants from DfE/ESFA		<u>473,221</u>	<u>246,348</u>
Net cash provided by/(used in) investing activities		<u>446,123</u>	<u>(338,906)</u>
Change in cash and cash equivalents in the year		290,015	18,603
Cash and cash equivalents brought forward		<u>905,959</u>	<u>887,356</u>
Cash and cash equivalents carried forward	23	<u><u>1,195,974</u></u>	<u><u>905,959</u></u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES

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

Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Newent Community School and Sixth Form Centre constitutes a public benefit entity as defined by FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006.

Basis of consolidation

The financial statements consolidate the accounts of Newent Community School and Sixth Form Centre and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The Academy Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the Academy Trust was £320,995 (2016 - £226,645 deficit).

Going concern

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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 provided to the Academy Trust which amounts to a donation is recognised in the Consolidated Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) where receipt is probable and the amount can be measured reliably.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Agency arrangements

The Academy Trust acts as an agent in distributing certain monies to students, for example 16-19 Bursary funding from ESFA in so far as these are not discretionary in nature.

The Academy Trust also acts as an agent in distributing school bus passes to students. Payments received from parents of students and subsequent payments to the provider of the school bus service are excluded from the Consolidated Statement of Financial Activities on the basis that the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and, any balances held, are disclosed in the notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

All assets costing more than £2,000 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 Consolidated Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Consolidated Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%
Motor vehicles	-	33%
Fixtures and fittings	-	10% - 25%
Computer equipment	-	25%

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 Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

A full year's depreciation is charged on assets in the year of acquisition.

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

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

Freehold Property

The Academy Trust owns the property it operates from. The valuation of the Freehold Buildings has been considered by Trustees and included at what they consider a reasonable estimate of current market value.

Liabilities

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

Provisions

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

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

Leased assets

Rentals under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Investments

The Academy Trust's shareholding in the wholly owned subsidiary, Newent Community Sports Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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 instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Pensions (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Consolidated 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.

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 and include grants from the Education and Skills Funding Agency, the Department for Education and Local Authority.

Critical accounting estimates and areas of judgment

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital Grants	-	-	912,762	912,762	342,298
Other donations	-	1,614	-	1,614	-
	-	1,614	912,762	914,376	342,298
<i>Total 2016</i>	-	-	342,298	342,298	

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,478,459	4,478,459	4,976,187
Other DfE/ESFA grants	-	143,130	143,130	163,091
	-	4,621,589	4,621,589	5,139,278
Other government grants				
Local authority grants	-	109,908	109,908	120,824
	-	109,908	109,908	120,824
Other funding				
Other income from the Academy Trust's educational operations	13,346	50,162	63,508	114,216
Catering services	151,669	-	151,669	145,850
School funds	16,493	131,208	147,701	134,422
	181,508	181,370	362,878	394,488
	181,508	4,912,867	5,094,375	5,654,590
<i>Total 2016</i>	273,615	5,380,975	5,654,590	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities and services	41,820	41,875	83,695	103,204
Other income	35,706	-	35,706	34,188
	<u>77,526</u>	<u>41,875</u>	<u>119,401</u>	<u>137,392</u>
<i>Total 2016</i>	<u>95,599</u>	<u>41,793</u>	<u>137,392</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	1,557	-	1,557	2,541
	<u>1,557</u>	<u>-</u>	<u>1,557</u>	<u>2,541</u>
<i>Total 2016</i>	<u>2,541</u>	<u>-</u>	<u>2,541</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	11,486	40,787	28,614	80,887	101,555
Academy Trust's educational operations:					
Direct costs	3,362,552	-	428,525	3,791,077	4,255,017
Support costs	937,497	660,270	326,012	1,923,779	2,006,894
	<u>4,311,535</u>	<u>701,057</u>	<u>783,151</u>	<u>5,795,743</u>	<u>6,363,466</u>
<i>Total 2016</i>	<u>4,676,387</u>	<u>866,423</u>	<u>820,656</u>	<u>6,363,466</u>	

In 2016 of the total expenditure, £310,431 was to unrestricted funds, £5,502,158 was to restricted funds and £550,877 was to restricted fixed asset funds.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

7. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance cost	49,000	68,000
Technology costs	40,570	39,598
Premises costs	175,160	258,860
Other support costs	270,409	233,009
Governance costs	15,033	13,995
Wages and salaries	888,497	842,555
Depreciation	485,110	550,877
	<u>1,923,779</u>	<u>2,006,894</u>
<i>At 31st August 2016</i>	<u>2,006,894</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	485,110	550,877
Auditors' remuneration - audit	9,130	11,265
Auditors' remuneration - other services	5,890	2,730
Operating lease rentals	41,745	60,988
	<u>41,745</u>	<u>60,988</u>

Included within expenditure are unrecoverable debts of £1,692 (2016 - £Nil).

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs during the period were as follows:

	2017	2016
	£	£
Wages and salaries	3,257,037	3,545,175
Social security costs	296,816	285,235
Operating costs of defined benefit pension schemes	664,593	670,150
	4,218,446	4,500,560
Apprenticeship levy	507	-
Supply teacher costs	38,658	70,120
Staff restructuring costs	4,924	37,707
Pension finance cost	49,000	68,000
	4,311,535	4,676,387

Staff restructuring costs comprise:

Redundancy payments	4,924	-
Severance payments	-	37,707
	4,924	37,707

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

	2017	2016
	No.	No.
Teachers	71	65
Administration and support	104	101
Management	8	8
	183	174

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions amounted to £23,113 (2016 - £11,157).

The Key Management personnel of the Academy Trust comprise the Trustees and the Senior Leadership Team as listed on page 3 of the accounts. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust during the year ended 31 August 2017 was £582,401 (2016 - £564,549).

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
Mrs K H Harrison, Principal (resigned 30/04/16)	Remuneration	N/A	55,000-60,000
	Pension contributions paid	N/A	5,000-10,000
G Balmer, acting Principal (appointed 01/05/16, resigned 31/08/16)	Remuneration	N/A	25,000-30,000
	Pension contributions paid	N/A	0-5,000
Mr K Timney, Staff Trustee	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
Mrs M Hood, Staff Trustee (resigned 18/07/2016)	Remuneration	N/A	40,000-45,000
	Pension contributions paid	N/A	5,000-10,000
Mr A Johnson, Principal and Accounting Officer	Remuneration	75,000-80,000	N/A
	Pension contributions paid	10,000-15,000	N/A
Ms K Steger, Staff Trustee	Remuneration	25,000-30,000	N/A
	Pension contributions paid	0-5,000	N/A

During the period ended 31st August 2017, no travel and subsistence expenses were reimbursed to Trustees (2016 - £Nil).

Related party transactions involving Trustees are set out in the Related party transactions note.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31st August 2017 was £1,518 (2016 - £1,517). The cost of this insurance is included in the total insurance cost.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1st September 2016	21,486,071	8,463	465,671	69,388	22,029,593
Additions	89,180	-	2,817	18,857	110,854
At 31st August 2017	21,575,251	8,463	468,488	88,245	22,140,447
Depreciation					
At 1st September 2016	1,663,534	8,391	357,138	51,051	2,080,114
Charge for the year	431,505	72	37,641	15,892	485,110
At 31st August 2017	2,095,039	8,463	394,779	66,943	2,565,224
Net book value					
At 31st August 2017	19,480,212	-	73,709	21,302	19,575,223
At 31st August 2016	19,822,537	72	108,533	18,337	19,949,479
Academy trust					
Cost					
At 1st September 2016	21,486,071	8,463	465,671	69,388	22,029,593
Additions	89,180	-	2,817	18,857	110,854
At 31st August 2017	21,575,251	8,463	468,488	88,245	22,140,447
Depreciation					
At 1st September 2016	1,663,534	8,391	357,138	51,051	2,080,114
Charge for the year	431,505	72	37,641	15,892	485,110
At 31st August 2017	2,095,039	8,463	394,779	66,943	2,565,224
Net book value					
At 31st August 2017	19,480,212	-	73,709	21,302	19,575,223
At 31st August 2016	19,822,537	72	108,533	18,337	19,949,479

Included within Freehold property are assets in the course of construction totalling £82,199 (2016 - £Nil).

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NOTES TO THE FINANCIAL STATEMENTS
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13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Academy trust	
Cost	
At 1st September 2016	-
Additions	1
	<hr/>
At 31st August 2017	1
	<hr/> <hr/>
Academy trust investments at cost comprise:	
	2017
	£
Investment in Newent Community Sports Limited	1
	<hr/> <hr/>

The purpose of Newent Community Sports Limited is to facilitate certain sports related lettings and to operate The Clubhouse on behalf of the Academy Trust.

14. PRINCIPAL SUBSIDIARIES

Newent Community Sports Limited

Subsidiary name	Newent Community Sports Limited
Company registration number	10721584
Basis of control	
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 18,593
Total liabilities as at 31 August 2017	£ (5,620)
Total equity as at 31 August 2017	£ 12,973
Turnover for the year ended 31 August 2017	£ 29,153
Expenditure for the year ended 31 August 2017	£ (16,182)
Profit for the year ended 31 August 2017	£ 12,971

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

15. DEBTORS

	<u>Group</u>		<u>Academy trust</u>	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	20,577	25,562	18,137	25,562
Other debtors	8,335	20,149	8,335	20,149
Prepayments and accrued income	596,738	251,788	596,738	251,788
	625,650	297,499	623,210	297,499

16. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Academy trust</u>	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	104,210	168,252	99,175	168,252
Other taxation and social security	73,836	79,101	73,251	79,101
Other creditors	23,724	20,357	23,723	20,357
Accruals and deferred income	66,943	229,059	66,943	229,059
	268,713	496,769	263,092	496,769

	<u>Group</u>		<u>Academy trust</u>	
	£	£	£	£
Deferred income				
Deferred income at 1st September 2016	43,523	63,203	43,523	63,203
Resources deferred during the year	32,125	43,523	32,125	43,523
Amounts released from previous years	(43,523)	(63,203)	(43,523)	(63,203)
Deferred income at 31st August 2017	32,125	43,523	32,125	43,523

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

17. STATEMENT OF FUNDS

	Balance at 1st September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2017 £
Unrestricted funds						
Unrestricted funds	134,944	260,591	(258,965)	(2,817)	-	133,753
Restricted funds						
General Annual Grant (GAG)	353,035	4,478,459	(4,459,243)	21,143	-	393,394
School Fund Account	47,079	131,208	(115,256)	-	-	63,031
Other Government grants	23,966	109,908	(107,806)	-	-	26,068
Other DfE/ESFA grants	52,071	143,130	(145,605)	-	-	49,596
Other income	9,164	93,651	(85,758)	-	-	17,057
Pension reserve	(2,283,000)	-	(138,000)	-	417,000	(2,004,000)
	<u>(1,797,685)</u>	<u>4,956,356</u>	<u>(5,051,668)</u>	<u>21,143</u>	<u>417,000</u>	<u>(1,454,854)</u>
Restricted fixed asset funds						
	Balance at 1st September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2017 £
DfE/ESFA Capital Grants	1,450,558	912,762	(38,156)	-	-	2,325,164
Predecessor School Surplus	26,859	-	-	-	-	26,859
Capital donations on conversion	18,460,000	-	(410,000)	-	-	18,050,000
Capital expenditure from GAG	43,450	-	(27,322)	18,857	-	34,985
Other donations	55,042	-	(9,632)	(37,183)	-	8,227
	<u>20,035,909</u>	<u>912,762</u>	<u>(485,110)</u>	<u>(18,326)</u>	<u>-</u>	<u>20,445,235</u>
Total restricted funds	<u>18,238,224</u>	<u>5,869,118</u>	<u>(5,536,778)</u>	<u>2,817</u>	<u>417,000</u>	<u>18,990,381</u>
Total of funds	<u>18,373,168</u>	<u>6,129,709</u>	<u>(5,795,743)</u>	<u>-</u>	<u>417,000</u>	<u>19,124,134</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1st September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2016 £
Unrestricted funds						
Unrestricted funds	85,946	371,755	(310,431)	(12,326)	-	134,944
	<u>85,946</u>	<u>371,755</u>	<u>(310,431)</u>	<u>(12,326)</u>	<u>-</u>	<u>134,944</u>
Restricted funds						
General Annual Grant (GAG)	357,769	4,976,187	(4,966,315)	(14,606)	-	353,035
School Fund Account	102,361	73,214	(128,496)	-	-	47,079
Other Government grants	-	120,824	(96,858)	-	-	23,966
Other DfE/ESFA grants	30,349	163,091	(141,369)	-	-	52,071
Other income	8,832	89,452	(89,120)	-	-	9,164
Pension reserve	(1,789,000)	-	(80,000)	-	(414,000)	(2,283,000)
	<u>(1,289,689)</u>	<u>5,422,768</u>	<u>(5,502,158)</u>	<u>(14,606)</u>	<u>(414,000)</u>	<u>(1,797,685)</u>
Restricted fixed asset funds						
	Balance at 1st September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31st August 2016 £
DfE/ESFA Capital Grants	1,161,757	342,298	(53,497)	-	-	1,450,558
Predecessor School Surplus	26,859	-	-	-	-	26,859
Capital donations on conversion	18,908,772	-	(448,772)	-	-	18,460,000
Capital expenditure from GAG	54,871	-	(26,027)	14,606	-	43,450
Other donations	65,297	-	(22,581)	12,326	-	55,042
	<u>20,217,556</u>	<u>342,298</u>	<u>(550,877)</u>	<u>26,932</u>	<u>-</u>	<u>20,035,909</u>
Total restricted funds	<u>18,927,867</u>	<u>5,765,066</u>	<u>(6,053,035)</u>	<u>12,326</u>	<u>(414,000)</u>	<u>18,238,224</u>
Total of funds	<u>19,013,813</u>	<u>6,136,821</u>	<u>(6,363,466)</u>	<u>-</u>	<u>(414,000)</u>	<u>18,373,168</u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

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

Restricted funds include GAG and other grants receivable from the DfE/ESFA and Local Authority towards the Academy's educational activities. School funds held in respect of educational visits and events are also included in Restricted funds.

Restricted fixed asset funds include amounts receivable from the DfE/ESFA in respect of tangible fixed assets held for Academy use.

The Pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Transfers from Restricted and Unrestricted funds to Restricted fixed asset funds relate to fixed asset additions funded by GAG and other Unrestricted income.

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 31st August 2017.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	19,575,223	19,575,223
Current assets	170,019	691,460	960,145	1,821,624
Creditors due within one year	(36,266)	(142,314)	(90,133)	(268,713)
Provisions for liabilities and charges	-	(2,004,000)	-	(2,004,000)
	<u>133,753</u>	<u>(1,454,854)</u>	<u>20,445,235</u>	<u>19,124,134</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	19,949,479	19,949,479
Current assets	200,948	689,084	313,426	1,203,458
Creditors due within one year	(66,004)	(203,769)	(226,996)	(496,769)
Provisions for liabilities and charges	-	(2,283,000)	-	(2,283,000)
	<u>134,944</u>	<u>(1,797,685)</u>	<u>20,035,909</u>	<u>18,373,168</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2017

19. CAPITAL COMMITMENTS

As at 31st August 2017 the Academy had capital commitments of £889,754 (2016 - £Nil).

20. PENSION COMMITMENTS

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Costs incurred in the period relating to TPS were £365,306 and relating to LGPS were £206,049 (2016 - £413,129 TPS, £245,022 LGPS).

Contributions amounting to £23,723 (LGPS) were payable to the scheme at 31st August 2017 (2016 - £20,357 LGPS) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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20. PENSION COMMITMENTS (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £365,306 (2016 - £413,129).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2017 was £251,092 (2016 - £253,513), of which employer's contributions totalled £203,111 (2016 - £205,915) and employees' contributions totalled £47,981 (2016 - £47,598). The agreed contribution rates for future years are 28.6% for employers and between 5.5-12.5% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	2.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums pre-April 2008	35.00 %	50.00 %
Commutation of pensions to lump sums post-April 2008	68.00 %	75.00 %

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

	2017	2016
Retiring today		
Males	22.4	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.4
Females	26.4	27.0

	At 31 August 2017	At 31 August 2016
Sensitivity analysis	£	£
0.5% decrease in Real Discount Rate	534,000	544,000
0.5% increase in Salary Increase Rate	92,000	211,000
0.5% increase in Pension Increase Rate	434,000	317,000

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

A 1 year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 3-5% (2016 - 3%).

The Group's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,523,000	1,116,000
Bonds	402,000	345,000
Property	148,000	115,000
Cash and other liquid assets	42,000	66,000
Derivatives	-	-
	<hr/>	<hr/>
Total market value of assets	2,115,000	1,708,000
	<hr/>	<hr/>

The actual return on scheme assets was £254,000 (2016 - £236,000).

The amounts recognised in the Statement of financial activities are as follows:

	2017 £	2016 £
Current service cost	(292,000)	(218,000)
Interest income	37,000	49,000
Interest cost	(86,000)	(117,000)
	<hr/>	<hr/>
Total	(341,000)	(286,000)
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	3,925,000	2,974,000
Current service cost	292,000	218,000
Interest cost	86,000	117,000
Employee contributions	48,000	49,000
Actuarial (gains)/losses	(200,000)	601,000
Benefits paid	(32,000)	(34,000)
	<hr/>	<hr/>
Closing defined benefit obligation	4,119,000	3,925,000
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

Movements in the fair value of the Group's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	1,642,000	1,185,000
Interest income	37,000	49,000
Actuarial losses	217,000	187,000
Employer contributions	203,000	206,000
Employee contributions	48,000	49,000
Benefits paid	(32,000)	(34,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>2,115,000</u>	<u>1,642,000</u>

21. OPERATING LEASE COMMITMENTS

At 31st August 2017 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

Group and Academy trust	2017 £	2016 £
Amounts due within one year	52,772	42,303
Amounts due between one and five years	53,594	71,181
	<hr/>	<hr/>
Total	<u>106,366</u>	<u>113,484</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2017	2016
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	333,966	(226,645)
Adjustment for:		
Depreciation charges	485,110	550,877
Interest receivable	(1,557)	(2,541)
Decrease in debtors	111,390	105,168
(Decrease)/increase in creditors	(310,255)	192,948
Capital grants from DfE and other capital income	(912,762)	(342,298)
Defined benefit pension scheme cost less contributions payable	89,000	12,000
Defined benefit pension scheme finance cost	49,000	68,000
Net cash (used in)/provided by operating activities	(156,108)	357,509

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	Group
	£	2016
		£
Cash in hand	1,195,974	905,959
Total	1,195,974	905,959

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

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the current and prior year:

During the current year, the Academy purchased clothing and equipment from Gooch Sports, a partnership in which Mrs J Gooch, a Trustee, is a partner for £440 (2016 - £200).

In entering into the transaction above, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2016.

26. AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing school bus passes to students. In the year ended 31 August 2017 the Academy received £153,069 (2016 - £156,826) from parents and paid £160,176 (2016 - £170,883) to the operator of the bus service. An amount of £30,645 (2016 - £31,541) is included within deferred income in relation to monies received in advance from parents for the year ending 31 August 2018.