

Company Registration No. 08153177 (England and Wales)

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 20
Statement on regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
Independent auditor's report on the accounts	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28
Balance sheet	29
Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 53

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs K Elen
Mr L Hampton-Whitehead
Mr D Hogg
Mr C Germaine

Trustees

Mrs K Elen (Chair)
Mr L Hampton-Whitehead (Parent Trustee)
Mr D Hogg (Trustee)
Mr C Germaine (Trustee)
Mrs J Gooch (Trustee) (Resigned 5 October 2018)
Mrs H Kelly (Parent Trustee)
Mr A Johnson (Principal and Accounting Officer)
Mrs A Coole (Trustee) (Resigned 11 September 2018)
Ms K Steger (Staff Trustee) (Resigned 3 December 2018)
Mr G Spaul (Trustee) (Resigned 9 November 2019)
Mr G Bodger (Trustee)
Mr D Pettit (Trustee) (Resigned 7 October 2019)
Mrs J Niland (Parent Trustee) (Appointed 19 November 2018)
Mrs C Spedding (Parent Trustee) (Appointed 19 November 2018)
Mr M Lake (Trustee) (Appointed 13 May 2019)
Mrs S Karunaratne (Trustee) (Appointed 13 May 2019)

Senior management team

Mr A Johnson (Principal)
Mr R Philips (Vice Principal)
Mrs J A Price (Business Manager)
Mr M John (Assistant Principal)
Miss L Rogers (Director - Sixth Form)
Miss K Gordelier (Senior Teacher)
Mr D Williams (Senior Teacher)

Company secretary

Mrs J Price

Company registration number

08153177 (England and Wales)

Registered office

Watery Lane
Newent
Gloucestershire
GL18 1QF
England

Independent auditor

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
Gloucestershire
GL1 1NU

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

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

The academy trust operates an academy for pupils aged 11-19 serving the town of Newent and surrounding villages, including a proportion of students travelling 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 906 in the school census on October 2019.

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.

We continue to be a good school, as confirmed by Ofsted following their visit in March 2018, offering a high quality of education with recent observations recognising that our students are making strong progress in the majority of subjects.

In addition, it was rightly observed that our students feel safe, and are safe, in school. This is achieved by the school's culture of care and vigilance. All staff are firmly committed to ensuring that every student achieves their full potential.

Our fantastic report is a real vindication of our drive 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 charitable company operates as Newent Community School and Sixth Form Centre.

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

Members' liability

Each member of the 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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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. 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, Finance 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 Finance and Resources Group, and sets, and makes the relevant recommendations regarding the budget for the following year to the board of trustees. The Finance and Resources 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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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. However, the Trust operates a zero based budgeting approach. All requested expenditure is required to obtain the Chief Financial Officer's approval prior to the goods or services being committed to by the Finance Team. 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.

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 31 October with recommendations for pay amendments made by the Principal to the relevant trustees meeting as soon as possible after 31 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.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.64

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

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

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
---	---

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Related parties and other connected charities and organisations

During the year the academy trust's wholly owned subsidiary trading company, Newent Community Sports Limited, continued to trade. This subsidiary trading company was created in May 2017. This company had a first accounting period of 16 months ending 31 August 2018 and has now completed its second 12 months accounting period ending 31 August 2019. 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 Academy has continued, albeit in a reduced capacity, with the collaboration with Christopher Whitehead Language College to undertake independent, external reviews to further develop the Teaching and Learning in the School.

An area of work that has become established in this year is the Academy developing its partnership with Universities and Institutions delivering Trainee Teacher programmes. Trainees spend an extended period at the Academy as part of their programme of classroom experience.

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. Students and staff visited Kisumu in July 2019 as part of the exchange programme. The Academy, for the first time, assumed responsibility of holding and administering the funds for this project during this accounting period.

The Friends of Newent Community School is a parent, staff and friends of the academy association which raises funds to support the activities of the academy trust. This is a separate registered charity and maintains its own accounts. During this twelve month period the Friends Association have purchased a number of additional resources for the academy as well as subsidising some activities. The largest and most expensive purchase was committed to during the year with a branded Minibus being delivered in October 2019 for the benefit of all students. The remaining funds available within the Friends bank account are currently being allocated to departments by the current committee members.

Following submission of a grant application in the autumn 2017 the academy trust entered into a contract with the National Cyber Security Centre to receiving funding as a Cyber Schools Hub. The work undertaken within the contract is to inspire students, particularly girls, to consider a career in Computing Science. The contract continues to date which has significantly impacted on learning opportunities of students interested in this area. A number of Industry Partners are involved in supporting the Academy with events eg a Dragons' Den Wearable Technology event in December, a trip to Teen Tech in Bristol in October and involvement in Cynam in June. In addition, the Academy held two, two days supported Summer School for transitioning Primary students in August 2019. Work will continue on this project over the coming year in close discussion with the National Cyber Security Centre.

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. Our Principal has also continued to work as an Ofsted Inspector.

The Business Manager is currently the Vice Chair 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. She has also been involved in national working party over recent monthly linking with the Department for Education and Deloitte on a benchmarking tool which will be made available to all Schools, both maintained and Academy Schools.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

Staffing at the Academy has been stable at a senior level during the year, however, a number of long serving staff left our employment. This allowed for a comprehensive recruitment programme at Middle Management, Classroom staff and Support Staff. The Academy was fully staffed throughout the year.

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 2019 has continued with a series of surveys during Parents' Evenings. The results continue to be extremely encouraging in line with previous years. The results are very pleasing and further confirm Ofsted's findings following their 2018 visit.

Objectives, strategies and activities

This was the seventh year of operation for Newent Community School and Sixth Form Centre as an academy trust.

The Ofsted judgement in March 2018 awarded the Academy a "good" judgement. This was confirmation that the Academy had maintained the February 2014 judgement. Since March 2018 the Academy has worked to build on this judgement, working towards an "outstanding" outcome at the next scheduled inspection.

The Ofsted Report is very clear that the Principal has the ability to bring about positive change and demonstrates that the school has the capacity to improve further. In particular, the commitment to supporting pupils' physical and mental health is demonstrated by the achievement of the Mental Health Champions Award in 2017. This work has continued with the Academy being invited to be part of the NHS Trailblazer Pilot. As part of this pilot NHS Mental Health Practitioners work, in the newly created Wellbeing Hub, with staff and students to enhance the support provided to all. This work compliments the programme of mentoring and counselling that has been in place for a number of years and further confirms the view of the Academy being a safe, secure and supportive environment.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

It was considered through the 2018 Ofsted visit that the academy trust has successfully halted a decline in outcomes for disadvantaged pupils through changes in leadership and partnership with a 'disadvantage pilot' project. This was seen as improving both the achievement and attendance of disadvantaged pupils currently at the school and this work continues to progress with the introduction, from the summer of 2019, the achievement for all programme. This programme will not only develop our provision for Pupil Premium students but "for All".

The Ofsted Inspectors considered that safeguarding is effective and that the safeguarding arrangements are fit for purpose. Records were noted as being detailed and of high quality. Pupils confirmed to Inspectors that they feel safe and are safe in the school. Pupils receive and understand the advice provided about potential risks and how to stay safe in various situations, including on the internet. Bullying is rare at the academy trust and, when it does occur, pupils are confident that it is dealt with swiftly and effectively. Finally, most parents believe that their children are safe, happy and well looked after at school.

Specific priorities in the new academic year are broadly unchanged from the previous year:

- To conclude the work with Education Skills and Funding Agency (ESFA) closing the financial recovery plan following confirmation that the Academy has been successful with an in year funding application in the summer 2019 following a greater than 8% increase in student numbers
- 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 as happened in September 2018.
- 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 develop the Sixth Form including an increase of numbers within both Year 12 and Year 13 following the opening of our new build Sixth Form Centre
- To carry on the work of developing the academy trust as a Hub of Excellence which started two years ago 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.

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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

During the four year period following the School's Ofsted "good" judgement in 2014 the focus has been on embedding progress and maintaining the judgement. This was successfully achieved in March 2018 when, following an Ofsted visit, the academy trust was deemed to have maintained the "good" judgement and comments that the academy trust has the capacity to improve further.

Our pupil admission number (PAN) remains at 239, however, due to the falling demographic this figure was not achieved in September 2018. However, it is particularly pleasing that the work undertaken by the new Principal and Senior Leadership Team that the student intake in September 2019 meant the Academy had to increase capacity in its private transport arrangement with Stagecoach West, with four double deckers now travelling from Gloucester City and one bus travelling from the Forest of Dean area.

There is a strategic target to continue to grow the student intake annually which is evidenced in the marketing campaigns that have been implemented.

In the key areas of student progress and attainment at GCSE level the school continued to improve. There were successes at all grades which is evidence that the Academy's commitment to high quality teaching and learning is clear and obvious.

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

Progress 8 score	-0.17
Attainment 8 score	44.09
Percentage of pupils who have achieved level 4 or above in English and Mathematics at the end of KS4	66%
Percentage of pupils who have achieved level 5 or above in English and Mathematics at the end of KS4	37.01%

(NB - Provisional results which do not take into account positive remarks in a number of subjects).

The secondary school league tables are published in January. The headline measures which appear in the performance tables are:

Progress 8, which is the progress across 8 qualifications, was introduced in 2016 as the headline indicator of school performance. It aims to capture the progress that pupils in a school make from the end of primary school to the end of key stage 4. It is a type of value added measure, which means that pupils' results are compared to the progress of other pupils nationally with similar prior attainment. For all mainstream pupils nationally, the average Progress 8 score will be zero.

Attainment 8, which is the attainment across the same 8 qualifications as Progress 8, measures pupils' attainment across 8 qualifications including maths (double weighted) and English (double weighted, if both English language and English literature are sat).

In 2019 KS4 outcomes, 79% of students achieved grades 4+ in GCSE English and 74% achieved grades 4+ in Maths. Over 12% of all grades achieved were either a grade 9-7 or A*-A.

2019 has been another successful year for our Year 13 students with a 92 % pass rate at A Level as well as in a range of other courses available at the school in the Sixth Form. Our Extended Project Qualification (EPQ) results were outstanding this year, with half of our students gaining either A* or A grades.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The academy trust achieved the following results with regard to its other key performance indicators:

- The overall attendance level of 94.1% remained in line with the previous year's of 94.1%
- The student recruitment data reflected an increase from 854 to 906 students in all year groups. The Year 7 numbers increased significantly from 147 to 216 students for September 2019. This is a clear vindication of the marketing strategy implemented during the year
- The academy trust's financial year resulted in a revenue deficit of £250,401 (before actuarial adjustments and transfers to fund capital expenditure), compared with a budgeted in year deficit of £263,000

Additional highlights during the year included:

- On going work and contract with the National Cyber Security Centre developing the Academy's Cyber Schools Hub success
- 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 School the three schools very successfully undertook a joint student exchange visit to St George's School in July 2019 which is a life changing experience for all involved
- A successful ESFA Condition Improvement Fund application in April 2019 relating to the installation of a complete CCTV system as part of continuing programme to enhance the safeguarding provision around the facilities
- A complete refurbishment of a cookery classroom into a catering industry standard facility following a successful application to The Savoy Education Trust

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. This outcome is based on work in progress with the Education Skills and Funding Agency following the successful In Year Funding Application in Summer 2019.

The increase in student numbers of more than 8% will result in additional GAG funding being received in February following confirmation of the January census. To ensure the Academy could maintain appropriate cash flow, an advance was received in August 2019. As a direct result of continuing to monitor and reduce expenditure when possible and the Academy receiving GAG funding based on actual numbers for 2019/2020, the financial position will return to a revenue surplus in the next accounting period.

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 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy trust reported a restricted revenue deficit (before transfers and pension adjustments) of £291,281 in the year, which decreased the restricted revenue reserves to carry forward to a deficit of £248,434 (excluding the pension reserve). 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 did not experience any difficulties with regard to cash flow during the financial year, however, as part of the in year funding application in the Summer of 2019, the Academy has received a cash advance of £58,000 to support the ongoing work. This advance will be repaid in the 2019/2020 period when the additional GAG funding is received in February 2020.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Total capital income was £162,052, which includes a successful Capital Improvement Fund bid of £96,820 for the installation of a CCTV system which will enhance the safeguarding provision around the facilities. 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 31 August 2019 the net book value of fixed assets was £19,732,172. Movements in tangible fixed assets are shown in the note 13 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 1 May 2017. The income and expenditure of this subsidiary company, for the twelve months to 31 August 2019 are incorporated within these financial statements. From incorporation of the company the progress has been significant both in terms of financial benefits and from a marketing aspect in the local community and wider afield.

Reserves policy

The Trustees review the reserve levels of the academy trust on a regular basis and have established a reserves policy in line with guidelines.

The Academy's policy states that the appropriate level of revenue reserves should be equivalent to one month's expenditure, currently estimated to be between £350,000 and £400,000. This being to provide sufficient working capital, in order 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.

With this in mind the trustees believe that although the academy trust's current level of free reserves of £138,200 (total funds less the amount held in fixed assets and restricted funds) is lower than the level required by the reserves policy, it will be crucial to support the academy trust's activities in the coming years. The Trustees are working alongside the ESFA to implement a recovery plan which is forecast to see a return to a net revenue surplus position in the next financial year.

There are a number of restricted funds representing the residual unspent element of grants and other income received during the year totalling £165,098 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 £2,547,000 at the year end and this deficit increased during the period ending 31 August 2019.

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, Trustees continued with this strategic decision until the remaining funds were required as a direct result of the falling revenue reserves of the Academy early in the 2018/2019 academic year. Until the investment account was cleared it was successful in raising additional financial resources through interest payments.

As the additional GAG funding impacts on the financial position of the Academy, the investment policy will aim to ensure that any funds that the Academy does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise the Academy's income but with minimal risk. The Academy 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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Principal risks are detailed below which are in part inter-related and remained predominantly unchanged in the relevant period:

- 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:

- The academy trust has continued, since September 2016, to work with RM Education who will deliver a Managed IT Service to provide greater security against any potential IT system 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. The Ofsted visit in March 2018 clearly commented on this appointment contributing to the Academy's current success.

To ensure the academy trust's risk of fraud and mismanagement of funds is maintained we continue to engage the services of Mr K Jollans as a independent 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 Finance and Resources Governors Group. The Trustees extend their gratitude to Mr Jollans for his contribution to this work particularly as he has informed them of his decision to cease undertaking this work.

As part of Finance and Resources Governors Group's work they review the financial performance through the use of a Monthly Management Pack. This includes a review of cash flow together with actual income and expenditure against budget.

Furthermore, as part of the Academy's Recovery Plan with the Education Skills and Funding Agency it is required to submit a monthly Management Pack and attend follow-up conference calls. To date the outcome of the information submitted and discussed has been incredibly positive with the Academy being complimented on its ability to deliver high quality documentation.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The academy is involved in raising money for charities and each year has a programme of planned events. Events are split into three categories: whole school eg Children in Need, Poppy Appeal, etc; tutorial charity where each tutorial undertakes an activity and elects a charity to receive the money raised; and staff fundraising eg Macmillan Coffee Morning, etc. Depending on the nature of trips and events eg Kenya Community Trip, students may undertake fundraising such as bag packing in a local supermarket to raise additional funds. Any promotional material produced clearly states the nature of the fundraising and the destination. All monies raised are passed on to the charities and no funds are retained by the academy. The academy raises funds through parental, student and community donations. Matched funding was obtained from Barclays Bank for the 2018 Christmas Fayre due to an employee also being a parent of a pupil at the academy. Students and staff have also raised money for the Sue Ryder Hospice following the unfortunate death of the academy's catering manager.

In addition, The Friends of Newent Community School, a parent, staff and friends of the academy association, raises funds to support the activities of the academy trust. This is a separate registered charity. Further details of the fundraising activities of this association are shown on page 6.

The academy maintains records to support the total sums raised and once monies have been collected the full amount is paid or transferred to the relevant charity.

The academy does not employ or work with professional fundraisers to carry out fundraising for local and national charities. However, where particular fundraising campaigns have been set up for raising funds for capital projects, external advice has been sought accordingly. This ensures that the academy is compliant with the recognised standards. All charities the academy raises funds for are carefully considered to ensure they too comply with the regulatory requirements and adhere to ethical standards.

The academy's fundraising complaints procedures is the standard complaints procedures documented within the academy's policies. The academy acknowledges that fundraising activities can create additional financial pressures on parents and therefore sets low contributions for fundraising activities for charities. The academy does not persistently approach or cause undue pressure on parents where contributions are not made.

Plans for future periods

The medium and long term plans which will provide the focus of the academy trust's activity during 2019/2020 are laid down in the Development Plan which has been discussed and agreed with the Trustees.

A number of organisational changes have taken place with effect from September 2016 which continued to be embedded through 2017/2018 and 2018/2019. The academy does not expect significant changes in the coming period. The changes to date 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.
- Originally due to a reduction in student numbers, which is particularly evident in the junior years, it was necessary for the Academy to restructure in order to save costs in line with reduced income and to ensure that the organisational structure is appropriate and fit for purpose. However, this situation will be reviewed early in 2019/2020 due to the upturn in student numbers and the successful In Year Funding Application.
- The introduction of a safeguarding reporting system, My Concern, from September 2017 which was made available for all staff to report or update a student record which is they are anxious or have a specific concern for.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and;
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



Mrs K Elen
Chair

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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

Trustees	Meetings attended	Out of possible
Mrs K Elen (Chair)	5	5
Mr L Hampton-Whitehead (Parent Trustee)	3	5
Mr D Hogg (Trustee)	1	5
Mr C Germaine (Trustee)	3	5
Mrs J Gooch (Trustee) (Resigned 5 October 2018)	0	1
Mrs H Kelly (Parent Trustee)	5	5
Mr A Johnson (Principal and Accounting Officer)	5	5
Mrs A Coole (Trustee) (Resigned 11 September 2018)	0	0
Ms K Steger (Staff Trustee) (Resigned 3 December 2018)	1	3
Mr G Spaul (Trustee) (Resigned 9 November 2019)	3	5
Mr G Bodger (Trustee)	5	5
Mr D Pettit (Trustee) (Resigned 7 October 2019)	5	5
Mrs J Niland (Parent Trustee) (Appointed 19 November 2018)	2	3
Mrs C Spedding (Parent Trustee) (Appointed 19 November 2018)	3	3
Mr M Lake (Trustee) (Appointed 13 May 2019)	2	2
Mrs S Karunaratne (Trustee) (Appointed 13 May 2019)	1	2

Governance reviews

The Board are committed to undergoing regular reviews and this year the Chair has undertaken 1:1 Contribution Reviews with all governors to further inform the ongoing review and development of the Governing Body.

While it is acknowledged the Full Board has not met the recommended six times in the year, the Board has continued to implement a full delegated Trustee Group structure. These Groups operated within the full Scheme of Delegation and have individual Terms of Reference. The financial oversight is undertaken by the Finance and Resources Group which has met seven times through the year. Each Trustee Group provides a report at each Full Board meeting on recent activity. In addition, all Trustees have full access to all financial documentation and monthly management accounts at all times and are able to raise any challenge should they wish to do so.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Finance and resources group

The Finance and Resources 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.

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

Trustees	Meetings attended	Out of possible
Mrs K Elen (Chair)	6	7
Mr L Hampton-Whitehead (Parent Trustee)	4	7
Mr A Johnson (Principal and Accounting Officer)	7	7
Mr G Spaul (Trustee) (Resigned 9 November 2019)	5	7
Mr M Lake (Trustee) (Appointed 13 May 2019)	3	3
Mrs J A Price (Business Manager)	7	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 meetings all sub committee meetings in the year was as follows:

Strategy group

Committee member	Meetings attended	Out of possible
Mrs K Elen (Chair, Trustee)	5	5
Mr C Germaine (Trustee)	4	5
Mr L Hampton-Whitehead (Parent Trustee)	5	5
Mr D Hogg (Trustee)	2	5
Mr G Bodger (Trustee)	5	5
Mr A Johnson (Principal and Accounting Officer)	5	5

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Standards group Committee member

	Meetings attended	Out of possible
Mr D Hogg (Chair, Trustee)	3	5
Mr C Germaine (Trustee)	5	5
Mr D Pettit (Trustee)	3	3
Mr S Karunaratne (Staff Trustee)	1	2
Mr L Hampton-Whitehead (Parent Trustee)	5	5
Mrs J Niland (Parent Trustee)	1	2
Mrs C Spedding (Parent Trustee)	2	3
Mr R Phillips (Vice Principal)	4	4
Miss L Rogers (Director of Sixth Form)	2	2

Community group Committee member

	Meetings attended	Out of possible
Mr C Germaine (Trustee)	4	4
Mr D Hogg (Trustee)	2	4
Mrs H Kelly (Parent Trustee)	2	4
Mr G Bodger (Trustee)	4	4
Mrs C Spedding (Parent Trustee)	3	3
Mr M John (Assistant Principal)	4	4
Miss L Rogers (Director of Sixth Form)	2	4
Miss K Gordelier (Senior Teacher)	4	4

MAT

Committee member

	Meetings attended	Out of possible
Mr G Bodger (Chair, Trustee)	3	3
Mrs K Elen (Trustee)	3	3
Mr D Hogg (Trustee)	-	3
Mr L Hampton-Whitehead (Parent Trustee)	3	3
Mr D Pettit (Trustee)	2	3
Mr A Johnson (Principal and Accounting Officer)	3	3
Mrs J A Price (Business Manager)	3	3

In July 2018 two new Trustees, with a wealth of relevant experience and skills, joined the Governing Body following a successful targeted recruitment process.

Training of Trustees to have appropriate skills and expertise areas is ongoing based on analysis of the NGA skills audit that all Trustees have revisited.

The Chair of Governors has engaged with a recruitment process through Academy Ambassadors through the summer 2019 to source a Trustee with specific financial knowledge and experience which was a condition of the Recovery Plan.

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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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:

- 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 Finance and Resources 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 detailed 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

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. 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 Finance and Resources 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 continued 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 timetabled 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:

- VAT procedures
- Procurement of contracts
- Payroll systems
- Purchase order processes

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

On a termly basis, the internal reviewer reports to the board of trustees through the Finance and Resources 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 Finance and Resource Group meeting to report on the progress made over the year and provide recommendations for any necessary improvements.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 Finance and Resources Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11 December 2019 and signed on its behalf by:



Mrs K Elen
Chair

Mr A Johnson
Principal and Accounting Officer

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

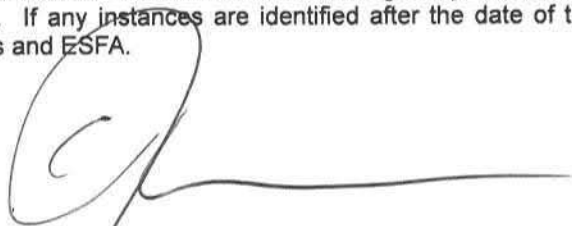
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



Mr A Johnson
Accounting Officer

11 December 2019

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



Mrs K Elen
Chair

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw your attention to note 1.2 in the financial statements which indicates that the academy incurred an operating deficit during the year ended 31 August 2019 resulting in a deficit carried forward of General Annual Grant of £413,532 and an overall net deficit carried forward on revenue funds of £110,234. These conditions indicate that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

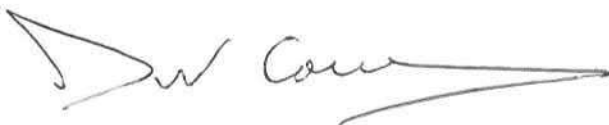
NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



David Cary LLB FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

20.12.19

Statutory Auditor

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 15 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Newent Community School and Sixth Form Centre and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Newent Community School and Sixth Form Centre and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newent Community School and Sixth Form Centre and 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 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant 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.

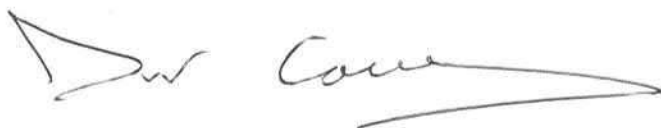
NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

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



Reporting Accountant
Baldwins Audit Services

Dated: 20.12.19

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	4	-	29,982	162,052	192,034
Charitable activities:					
- Funding for educational operations	5	195,387	4,425,790	-	4,621,177
Other trading activities	6	95,828	42,570	-	138,398
Investments	7	336	-	-	336
Total		291,551	4,498,342	162,052	4,951,945
Expenditure on:					
Raising funds	8	64,434	33,718	-	98,152
Charitable activities:					
- Educational operations	9	186,237	4,876,905	534,042	5,597,184
Total	8	250,671	4,910,623	534,042	5,695,336
Net income/(expenditure)		40,880	(412,281)	(371,990)	(743,391)
Transfers between funds	18	(21,723)	(3,588)	25,311	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(743,000)	-	(743,000)
Net movement in funds		19,157	(1,158,869)	(346,679)	(1,486,391)
Reconciliation of funds					
Total funds brought forward		119,043	(1,636,565)	20,152,487	18,634,965
Total funds carried forward		138,200	(2,795,434)	19,805,808	17,148,574

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		19,732,172		20,074,516
Current assets					
Debtors	15	162,449		235,022	
Cash at bank and in hand		257,917		439,841	
		420,366		674,863	
Current liabilities					
Creditors: amounts falling due within one year	16	(437,457)		(391,567)	
Net current (liabilities)/assets			(17,091)		283,296
Total assets less current liabilities			19,715,081		20,357,812
Creditors: amounts falling due after more than one year	17		(19,507)		(39,847)
Net assets excluding pension liability			19,695,574		20,317,965
Defined benefit pension liability	20		(2,547,000)		(1,683,000)
Net assets			17,148,574		18,634,965
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			19,805,808		20,152,487
- General funds			(248,434)		46,435
- Pension reserve			(2,547,000)		(1,683,000)
Total restricted funds			17,010,374		18,515,922
Unrestricted income funds	18		138,200		119,043
Total funds			17,148,574		18,634,965

The accounts were approved by order of the board of trustees and authorised for issue on 11 December 2019.



Mrs K Elen
Chair

Company Number 08153177


NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

BALANCE SHEET ACADEMY ONLY

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13	19,732,172		20,074,516	
Investments	14		1		1
		19,732,173		20,074,517	
Current assets					
Debtors	15	162,449		279,567	
Cash at bank and in hand		232,496		392,834	
		394,945		672,401	
Current liabilities					
Creditors: amounts falling due within one year	16	(434,234)		(389,106)	
Net current (liabilities)/assets			(39,289)		283,295
Total assets less current liabilities			19,692,884		20,357,812
Creditors: amounts falling due after more than one year	17		(19,507)		(39,847)
Net assets excluding pension liability			19,673,377		20,317,965
Defined benefit pension liability	20		(2,547,000)		(1,683,000)
Net assets			17,126,377		18,634,965
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			19,805,808		20,152,487
- General funds			(248,434)		46,435
- Pension reserve			(2,547,000)		(1,683,000)
Total restricted funds			17,010,374		18,515,922
Unrestricted income funds	18		116,003		119,043
Total funds			17,126,377		18,634,965

The accounts were approved by order of the board of trustees and authorised for issue on 11 December 2019.


Mrs K Elen
Chair

Company Number 08153177

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(120,767)		(551,308)
Cash flows from investing activities					
Dividends, interest and rents from investments		336		2,049	
Capital grants from DfE Group		151,205		631,355	
Capital funding received from sponsors and others		-		99,258	
Purchase of tangible fixed assets		(250,358)		(997,258)	
Net cash used in investing activities			(98,817)		(264,596)
Cash flows from financing activities					
New ESFA loan		58,000		-	
New CIF loan		-		59,771	
Repayment of CIF loan		(20,340)		-	
Net cash provided by financing activities			37,660		59,771
Net decrease in cash and cash equivalents in the reporting period			(181,924)		(756,133)
Cash and cash equivalents at beginning of the year			439,841		1,195,974
Cash and cash equivalents at end of the year			257,917		439,841

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The financial statements of the trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Newent Community School and Sixth Form Centre meets the definition of a public benefit entity under FRS 102.

The consolidated statement of financial activities and consolidated balance sheet consolidate the financial statements of the academy trust and its material subsidiary undertakings ('subsidiaries'). The results of subsidiaries are consolidated on a line-by-line basis.

1.2 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. Following a significant operating deficit, GAG reserves are in deficit by £413,532 at the end of the year and the academy is carrying forward a net revenue deficit of £110,234. The trustees have reviewed the situation and believe that they can improve the position and will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Newent Community School and Sixth Form Centre and its material 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 Statement of Financial Activities.

The income and expenditure account for the year dealt with in the accounts of the academy trust was £721,194 deficit (2018: £989,169 deficit).

1.4 Income

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

Grants

Grants are included in the 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 consolidated balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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

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

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

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

The academy owns the property it operates from. The valuation of the freehold buildings has been considered by Trustees and included at what they considered to be a reasonable estimate of current market value at the date of conversion.

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

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.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 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.

1.9 Leased assets

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

1.10 Financial instruments

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

Financial assets

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

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

Amounts due from the academy trust's wholly owned subsidiary are held at face value less any impairment.

Financial liabilities

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

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

Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

1.12 Pensions benefits

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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

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

1.13 Fund accounting

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

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

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

The academy is carrying a deficit of £413,532 on the GAG fund and a net deficit of £275,332 on restricted GAG funds plus unrestricted funds, due to an excess of expenditure over available funding. The academy has implemented a recovery plan to address the underlying causes.

1.14 Agency arrangements

The academy trust acts as an agent in distributing certain monies to students, for example 16-19 bursary funding from the 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 services 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.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Comparative year information

Year ended 31 August 2018	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Income and endowments from:				
Donations and capital grants	4,003	12,923	203,639	220,565
Charitable activities:				
- Funding for educational operations	185,688	4,579,804	-	4,765,492
Other trading activities	124,699	38,605	-	163,304
Investments	2,049	-	-	2,049
Total	316,439	4,631,332	203,639	5,151,410
Expenditure on:				
Raising funds	69,192	38,806	-	107,998
Charitable activities:				
- Educational operations	261,957	5,274,237	496,387	6,032,581
Total	331,149	5,313,043	496,387	6,140,579
Net expenditure	(14,710)	(681,711)	(292,748)	(989,169)
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	500,000	-	500,000
Net movement in funds	(14,710)	(181,711)	(292,748)	(489,169)

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	162,052	162,052	160,176
Other donations	-	29,982	29,982	60,389
	-	192,034	192,034	220,565

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,954,009	3,954,009	4,073,443
Other DfE group grants	-	214,835	214,835	151,794
	-	4,168,844	4,168,844	4,225,237
Other government grants				
Local authority grants	-	58,773	58,773	45,513
Other funding				
Catering services	142,627	-	142,627	147,289
School funds	36,942	161,470	198,412	162,504
Other incoming resources	15,818	36,703	52,521	184,949
	195,387	198,173	393,560	494,742
Total funding	195,387	4,425,790	4,621,177	4,765,492

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	62,205	42,570	104,775	58,720
Other income	33,623	-	33,623	104,584
	95,828	42,570	138,398	163,304

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	336	-	336	2,049

8 Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	28,020	-	-	28,020	28,094
- Allocated support costs	-	37,045	33,087	70,132	79,904
Academy's educational operations					
- Direct costs	3,227,226	-	505,868	3,733,094	4,007,632
- Allocated support costs	793,563	723,033	347,494	1,864,090	2,024,949
	4,048,809	760,078	886,449	5,695,336	6,140,579

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	14,580	9,600
- Other services	4,970	3,125
- Assurance services other than audit	2,295	3,100
Operating lease rentals	43,346	57,187
Depreciation of tangible fixed assets	534,042	496,387
Net interest on defined benefit pension liability	48,000	52,000

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	53,326	3,679,768	3,733,094	4,007,632
Support costs				
Educational operations	132,911	1,731,179	1,864,090	2,024,949
	186,237	5,410,947	5,597,184	6,032,581

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities		(Continued)	
	2019	2018	
	£	£	
Analysis of support costs			
Support staff costs	793,563	965,272	
Depreciation	534,042	496,387	
Technology costs	8,693	35,431	
Premises costs	188,991	195,119	
Other support costs	321,481	316,275	
Governance costs	17,320	16,465	
	<u>1,864,090</u>	<u>2,024,949</u>	
10 Staff			
Staff costs			
Staff costs during the year were:	2019	2018	
	£	£	
Wages and salaries	3,051,317	3,250,458	
Social security costs	279,638	301,810	
Pension costs	632,705	764,514	
	<u>3,963,660</u>	<u>4,316,782</u>	
Amounts paid to employees	69,540	58,165	
Agency staff costs	15,609	68,043	
Staff restructuring costs	<u>4,048,809</u>	<u>4,442,990</u>	
Total staff expenditure			
Staff restructuring costs comprise:			
Redundancy payments	-	68,043	
Severance payments	15,609	-	
	<u>15,609</u>	<u>68,043</u>	

Included within pension costs is a total of £Nil (2018: £32,599) relating to additional pension costs as a result of the redundancy programme in the year.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £14,986 (2018: £nil).

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	54	60
Administration and support	114	123
Management	7	8
	<u>175</u>	<u>191</u>

Higher paid staff

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

	2019 Number	2018 Number
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
	<u>2</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £617,600 (2018: £645,700).

11 Trustees' remuneration and expenses

One or more of the 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 staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr A Johnson (Principal):

- Remuneration £80,000 - £85,000 (2018: £80,000 - £85,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

Mrs K Steger (Staff Trustee):

- Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

During the year, no trustees received any reimbursement of expenses £Nil (2018: £Nil).

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 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 31 August 2019 was £163 (2018: £460). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets Group and Academy

	Freehold property £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 September 2018	22,512,810	141,372	473,482	8,463	23,136,127
Additions	23,121	-	168,577	-	191,698
At 31 August 2019	22,535,931	141,372	642,059	8,463	23,327,825
Depreciation					
At 1 September 2018	2,545,295	84,939	422,914	8,463	3,061,611
Charge for the year	450,719	23,823	59,500	-	534,042
At 31 August 2019	2,996,014	108,762	482,414	8,463	3,595,653
Net book value					
At 31 August 2019	19,539,917	32,610	159,645	-	19,732,172
At 31 August 2018	19,967,515	56,433	50,568	-	20,074,516

14 Fixed asset investments

	Shares in group undertakings
Historical cost:	
At 31 August 2019	1
At 31 August 2018	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Newent Community Sports Limited	UK	Ordinary	100

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Fixed asset investments

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activities	Capital and reserves £	Profit/(loss) for the year £
Newent Community Sports Limited	Operation of clubhouse and sports related lettings	22,198	22,197
Registered company number 10721584			

15 Debtors

	2019 £ Group	2019 £ Academy	2018 £ Group	2018 £ Academy
Trade debtors	50,662	50,662	55,354	55,354
VAT recoverable	5,689	5,689	72,335	72,335
Other debtors	150	150	19,391	19,391
Prepayments and accrued income	105,948	105,948	87,942	132,487
	<u>162,449</u>	<u>162,449</u>	<u>235,022</u>	<u>279,567</u>

16 Creditors: amounts falling due within one year

	2019 £ Group	2019 £ Academy	2018 £ Group	2018 £ Academy
Government loans	77,924	77,924	19,924	19,924
Trade creditors	34,830	34,255	79,522	77,447
Other taxation and social security	71,174	70,771	73,629	73,243
Other creditors	124,934	124,934	61,213	61,213
Accruals and deferred income	128,595	126,350	157,279	157,279
	<u>437,457</u>	<u>434,234</u>	<u>391,567</u>	<u>389,106</u>

17 Creditors: amounts falling due after more than one year Group and Academy

	2019 £	2018 £
Government loans	<u>19,507</u>	<u>39,847</u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

		(Continued)
17	Creditors: amounts falling due after more than one year	2019 2018
	Analysis of loans	
	Wholly repayable within five years	97,431 59,771
	Less: included in current liabilities	(77,924) (19,924)
		<u>19,507 39,847</u>
	Amounts included above	<u>19,507 39,847</u>
	Loan maturity	
	Debt due in one year or less	77,924 19,924
	Due in more than one year but not more than two years	19,507 19,924
	Due in more than two years but not more than five years	- 19,923
		<u>97,431 59,771</u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(119,072)	3,954,009	(4,274,929)	26,460	(413,532)
Other DfE / ESFA grants	7,227	214,835	(209,928)	-	12,134
Other government grants	8,074	58,773	(30,902)	(20,588)	15,357
School fund account	94,379	161,470	(151,166)	-	104,683
Other income	55,827	109,255	(122,698)	(9,460)	32,924
Pension reserve	(1,683,000)	-	(121,000)	(743,000)	(2,547,000)
	<u>(1,636,565)</u>	<u>4,498,342</u>	<u>(4,910,623)</u>	<u>(746,588)</u>	<u>(2,795,434)</u>
Restricted fixed asset funds					
DfE group capital grants	2,375,585	162,052	(80,129)	(13,262)	2,444,246
Capital expenditure from GAG	78,010	-	(12,908)	5,780	70,882
Predecessor school surplus	26,859	-	-	-	26,859
Capital donations on conversion	17,640,000	-	(410,000)	-	17,230,000
Other donations	91,804	-	(31,005)	12,453	73,252
CIF loan	(59,771)	-	-	20,340	(39,431)
	<u>20,152,487</u>	<u>162,052</u>	<u>(534,042)</u>	<u>25,311</u>	<u>19,805,808</u>
Total restricted funds	<u>18,515,922</u>	<u>4,660,394</u>	<u>(5,444,665)</u>	<u>(721,277)</u>	<u>17,010,374</u>
Unrestricted funds					
General funds	<u>119,043</u>	<u>291,551</u>	<u>(250,671)</u>	<u>(21,723)</u>	<u>138,200</u>
Total funds	<u>18,634,965</u>	<u>4,951,945</u>	<u>(5,695,336)</u>	<u>(743,000)</u>	<u>17,148,574</u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 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 Education & Skills Funding Agency, Department for Education and Local Authority towards the group and academy's educational activities. School funds held in respect of educational visits and events are included in restricted funds.

Restricted fixed asset funds include amounts receivable from the Education & Skills Funding Agency, Department for Education and other sources in respect of tangible fixed assets held for use by the group and academy. Transfers from restricted and unrestricted funds to restricted fixed asset funds relate to fixed asset additions.

The pension reserve relates to the group and academy's share of the deficit of the Local Government Pension Scheme, as overseen by the Local Authority.

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 31 August 2019.

The academy trust is carrying a deficit of £413,532 on the GAG fund and a net deficit of £275,332 on restricted GAG funds plus unrestricted funds due to an excess of expenditure over available funding. The academy trust has implemented a recovery plan to address the underlying causes.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	393,394	4,073,443	(4,657,545)	71,636	(119,072)
Other DfE / ESFA grants	49,596	151,794	(146,868)	(47,295)	7,227
Other government grants	26,068	45,513	(42,507)	(21,000)	8,074
School fund account	63,031	142,207	(114,920)	4,061	94,379
Other income	17,057	218,375	(172,203)	(7,402)	55,827
Pension reserve	(2,004,000)	-	(179,000)	500,000	(1,683,000)
	<u>(1,454,854)</u>	<u>4,631,332</u>	<u>(5,313,043)</u>	<u>500,000</u>	<u>(1,636,565)</u>
Restricted fixed asset funds					
DfE group capital grants	2,325,164	104,381	(53,960)	-	2,375,585
Capital expenditure from GAG	34,985	-	(16,746)	59,771	78,010
Predecessor school surplus	26,859	-	-	-	26,859
Capital donations on conversion	18,050,000	-	(410,000)	-	17,640,000
Other donations	8,227	99,258	(15,681)	-	91,804
CIF loan	-	-	-	(59,771)	(59,771)
	<u>20,445,235</u>	<u>203,639</u>	<u>(496,387)</u>	<u>-</u>	<u>20,152,487</u>
Total restricted funds	<u>18,990,381</u>	<u>4,834,971</u>	<u>(5,809,430)</u>	<u>500,000</u>	<u>18,515,922</u>
Unrestricted funds					
General funds	<u>133,753</u>	<u>316,439</u>	<u>(331,149)</u>	<u>-</u>	<u>119,043</u>
Total funds	<u>19,124,134</u>	<u>5,151,410</u>	<u>(6,140,579)</u>	<u>500,000</u>	<u>18,634,965</u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	19,732,172	19,732,172
Current assets	201,747	2,025	216,594	420,366
Creditors falling due within one year	(63,547)	(250,459)	(123,451)	(437,457)
Creditors falling due after one year	-	-	(19,507)	(19,507)
Defined benefit pension liability	-	(2,547,000)	-	(2,547,000)
Total net assets	138,200	(2,795,434)	19,805,808	17,148,574
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	20,074,516	20,074,516
Current assets	161,874	286,692	226,297	674,863
Creditors falling due within one year	(42,831)	(240,257)	(108,479)	(391,567)
Creditors falling due after one year	-	-	(39,847)	(39,847)
Defined benefit pension liability	-	(1,683,000)	-	(1,683,000)
Total net assets	119,043	(1,636,565)	20,152,487	18,634,965

20 Pension and similar obligations

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

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

Contributions amounting to £44,892 (TPS) and £21,630 (LGPS) were payable to the schemes at 31 August 2019 (2018 - £Nil (TPS) and £24,203 (LGPS) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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

Scheme Changes

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £354,493 (2018: £364,612).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 30.6% for employers and 5-12% for employees.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

Total contributions made	2019 £	2018 £
Employer's contributions	210,000	231,000
Employees' contributions	46,000	52,000
Total contributions	256,000	283,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lump sums pre-April 2008	35.0	35.0
Commutation of pensions to lump sums post-April 2008	68.0	68.0

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

	2019 Years	2018 Years
Retiring today		
- Males	21.5	22.4
- Females	23.7	24.6
Retiring in 20 years		
- Males	22.3	24.0
- Females	25.0	26.4

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

	2019	2018
Discount rate + 0.1%	(144,000)	(109,000)
Discount rate -0.1%	144,000	109,000
Mortality assumption + 1 year	217,000	167,000
Mortality assumption - 1 year	(217,000)	(167,000)
CPI rate + 0.1%	122,000	91,000
CPI rate - 0.1%	(122,000)	(91,000)

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

	2019 Fair value £	2018 Fair value £
Equities	1,867,000	1,715,000
Bonds	718,000	522,000
Cash and other liquid assets	58,000	49,000
Property	230,000	199,000
Total market value of assets	<u>2,873,000</u>	<u>2,485,000</u>

The actual return on scheme assets was £167,000 (2018: £123,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	274,000	358,000
Past service cost	9,000	-
Interest income	(73,000)	(56,000)
Interest cost	121,000	108,000
Total operating charge	<u>331,000</u>	<u>410,000</u>

Changes in the present value of defined benefit obligations

	2019 £	2018 £
At 1 September 2018	4,168,000	4,119,000
Current service cost	274,000	358,000
Interest cost	121,000	108,000
Employee contributions	46,000	52,000
Actuarial loss/(gain)	837,000	(433,000)
Benefits paid	(35,000)	(36,000)
Past service cost	9,000	-
At 31 August 2019	<u>5,420,000</u>	<u>4,168,000</u>

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20	Pension and similar obligations	(Continued)	
Changes in the fair value of the academy trust's share of scheme assets			
		2019 £	2018 £
At 1 September 2018		2,485,000	2,115,000
Interest income		73,000	56,000
Actuarial gain		94,000	67,000
Employer contributions		210,000	231,000
Employee contributions		46,000	52,000
Benefits paid		(35,000)	(36,000)
At 31 August 2019		2,873,000	2,485,000
21	Reconciliation of net expenditure to net cash flow from operating activities	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)		(743,391)	(989,169)
Adjusted for:			
Capital grants from DfE and other capital income		(162,052)	(203,639)
Investment income receivable		(336)	(2,049)
Defined benefit pension costs less contributions payable		73,000	127,000
Defined benefit pension scheme finance cost		48,000	52,000
Depreciation of tangible fixed assets		534,042	496,387
Decrease/(increase) in debtors		83,420	(136,346)
Increase in creditors		46,550	104,508
Net cash used in operating activities		(120,767)	(551,308)

22 Related party transactions

Owing to the nature of the academy trust's operations 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 academy 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 period of account.

During the current year, the academy received a restricted donation of £320 (2018: £130) from Gooch Sports, a partnership in which Mrs J Gooch, a trustee who resigned during the year, is a partner. The academy purchased items with a value of £320 (2018: £130) with this restricted donation.

During the year the academy charged costs totalling £nil (2018: £4,762) to, and received a gift aid distribution of £nil (2018: £44,545) from, its subsidiary, Newent Community Sports Limited. The amount due from Newent Community Sports Limited at 31 August 2019 was £nil (2018: £45,862).

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook.

NEWENT COMMUNITY SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Members' liability

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

24 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	20,224	41,812
Amounts due in two and five years	38,602	7,682
	<u>58,826</u>	<u>49,494</u>

25 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	-	50,318
	<u>-</u>	<u>50,318</u>

26 Agency arrangements

The academy acts as an agent in distributing school bus passes to students. In the year ended 31 August 2019, the academy received £183,776 (2018: £165,957) from parents and paid £213,957 (2018: £210,560) to the operator of the bus service. An amount of £58,055 (2018: £37,010) is included within other creditors in relation to monies received in advance from parents for the year ending 31 August 2020.

Document Activity Report

Document Sent

Fri, 20 Dec 2019 11:57:43 GMT

Document Activity History

Document history shows most recent activity first

Date

Activity

You can verify that this is a genuine Portal document by uploading it to the following secure web page:

<https://baldwins2.accountantspace.co.uk/messages/VerifyDocument>