
NOADSWOOD SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

NOADSWOOD SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Mrs J Rapson
Mr C Blake
Mr M Roberts
Ms A Munden
Mrs T Newey
Mr K O'Brien

Trustees

Miss K Marshall, Headteacher and Accounting Officer^{1,2,3}
Ms S Balson, Trustee^{2,3}
Mr C Blake, Trustee^{1,3,4}
Ms R Clark, Trustee (appointed 24 September 2018)
Ms J French, Staff Trustee²
Ms E Huttly, Staff Trustee¹
Mr A McElevey, Chair Pay and Personnel Committee (resigned 9 July 2018)^{2,3}
Ms A Munden, Chair SIC^{2,4}
Mrs T Newey, Trustee (resigned 6 July 2018)²
Mr K O'Brien, Chair of Trustees^{2,4}
Mr P-J Putt, Trustee^{2,3}
Mrs J Rapson, Trustee^{1,3,4}
Mr M Roberts, Chair of General Purpose Committee^{1,3}
Ms D Smith, Staff Trustee¹
Mr P Uglow, Trustee (appointed 27 September 2017)
Mr M Wooster, Staff Trustee (appointed 27 September 2017)²

¹ Member of General Purposes Committee

² Member of School Improvement Committee

³ Member of Pay and Personnel Committee

⁴ Member of Headteacher Performance Management Committee

Company registered number

07693860

Company name

Noadswood School

Principal and registered office

North Road
Dibden Purlieu
Southampton
Hampshire
SO45 4ZF

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary

Miss S Staley

Senior management team

Miss K Marshall, Headteacher
Mr M Hewitt, Deputy Headteacher
Miss L Compton, Assistant Headteacher
Mrs N Dossett, Assistant Headteacher
Mr S Pike, Assistant Headteacher
Miss S Staley, Business Manager

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
21 The Marsh
Hythe
Southampton
Hampshire
SO45 6YU

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. 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 to 16 serving a catchment area on the Waterside near Hythe in Hampshire. It has a pupil capacity of 1027 and had a roll of 1010 in the most recent school census.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Noadswood School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Noadswood School.

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

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

Method of Recruitment and Appointment or Election of Trustees

The Members of the Academy Trust (all of whom are Trustees) are the original signatories to the Memorandum (such that they are still Trustees), the Chair and Vice Chair of Governors, the Chair of the School Improvement Committee, and the Chair of the General Purposes Committee, plus anyone appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose. The Members may agree unanimously in writing to appoint such additional Members as they think fit.

Subject to Articles 48, 49 and 64 of the Academy Articles of Association, the Academy Trust may have the following Trustees:

The Members may appoint up to 10 Trustees (Article 50);

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head) who are employees of the Academy Trust does not exceed one third of the total number of Governors (Article 50A);

The LA may appoint the LA Governor (Article 51);

The Head shall be treated for all purposes as being an ex officio Governor (Article 52);

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected (Article 53).

Any Additional Trustees, if appointed under Article 62, 62A or 68A; and

Any Further Trustees, if appointed under Article 63 or Article 68A.

Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Head. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment/election all new Trustees receive an introduction pack for their role. This is accompanied by a training course for all new Trustees given by Hampshire County Council Governor Service's department.

The Board of Trustees at Noadswood School is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Board of Trustees maintains a Service Level Agreement with the Hampshire County Council's Governor Services Department. This Agreement allows for any or all of the members of the Board of Trustees to attend any of the training courses provide by the County Council.

All new Trustees are actively encouraged to take advantage of this Agreement so as to gain a better understanding of the role and responsibilities of being a School Trustee. Additionally Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake specific training.

There is a nominated Training Liaison Trustee who acts as liaison between Trustee Services and the Board of Trustees.

Organisational Structure

The Board of Trustees of Noadswood School devolves the responsibility of the day to day running of the School to the Headteacher and Staff. Their activities and decisions are monitored through a small number of Trustee Committees into which reports are fed by the leadership team.

The full Board of Trustees (Chair – Mr Kevin O'Brien) meets at least five times per school year spread more or less evenly across the school terms.

The School Improvement and General Purposes committees meet, typically, twice per term to consider reports from the Senior Leadership Team, the Headteacher and the School Business Manager.

School Improvement Committee (Chair – Mrs A Munden)

The purpose of this committee is to support and agree improvements in the curriculum to enhance academic performance, and to promote and track their effective implementation. This committee is overseeing the pupil and staff safeguarding and child protection issues and training. The Headteacher, or his delegate, also report on staffing issues, capability issues, staff recruitment, admissions policy, pupil attendance, exclusions, and the good news from pupils.

General Purposes Committee (Chair – Mr M Roberts)

This committee meets to consider reports from the School Business Manager and the Head on all matters related to the school finances. The Headteacher reports to the committee on staffing structure, policy and procedures for dealing with disciplinary and grievance matters. The committee also reviews Health and Safety issues and ensures compliance with legislation. Finally this committee oversees the development and maintenance of the buildings and grounds to provide a safe, secure, pleasant and stimulating environment.

Pay Committee (Chair – Mr P J Putt)

The Pay and Personnel Committee deals with all matters relating to pay and performance of all staff. This will include approving and reviewing the pay and performance policy. This committee will advise the Board of Trustees about all matters relating to the staffing of the school and to undertake certain responsibilities related to staffing matters on behalf of the Board of Trustees. It performs this role with the purpose of supporting best practice and of complying with legal requirements in the recruitment, deployment, retention and development and welfare of all the school's staff.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees are responsible for the strategic management of the School; deciding and setting key aspects of the School, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Headteacher and staff.

School policies are developed by senior members of the School's staff, to reflect both the strategic direction agreed by the Trustees and also statutory requirements. These policies are approved and adopted by the Board of Trustees, and implemented as procedures and systems by the SLT and other designated members of staff.

Extent of Powers Delegated to the Headteacher

The board of Trustees delegates to the Headteacher the day-to-day management of the School, but remaining available for advice and assistance.

In particular, the following items are delegated:

- Management of the schools financial position at an operational level
- The discharge of its responsibilities under the ESFA Funding Agreement
- The efficient, economical and effective management of resources, and expenditure, including funds, capital assets, equipment and staff
- The introduction and maintenance of sound internal financial controls
- Ensuring that financial considerations are taken fully into account in reaching decisions and their execution, and the management of all accounting issues

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of the academy's senior leadership team is set by the Pay and Personnel Committee. Each member of staff (with exception of the Business Manager) is allocated a salary range within the Hampshire County Council Leadership spine and progress within that range (two steps every two years for Assistant Headteachers and one step every year for Headteacher) until they reach the top of their range. In exceptional circumstances the Pay and Personnel committee may extend the top of the range for individual employees having considered the evidence to support an increase. This may include the introduction of additional duties or responsibilities.

The remuneration of the school business manager is also set by the Pay and Personnel Committee. As a member of support staff the business manager is allocated an appropriate salary band on the Hampshire County Council pay scale for support staff. Pay and Personnel committee may extend the top of the range or change the salary band having considered the evidence to support an increase. This may include the introduction of additional duties or responsibilities.

The Pay and Personnel committee consider what are typical pay bands for each role, taking into consideration the size of the school and the individual's responsibilities. The committee use the Hampshire County Council published pay guidelines as a foundation for their discussions.

Trade union facility time

- FTE number of employees who were relevant Union officials - 1
- Percentage of time spent on facility time – 0%
- Percentage of pay bill spent on facility time – 0% (all facility time was unpaid)
- Time spent on paid Trade Union activities as a percentage of total paid facility time hours - no paid facility time was provided

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TRUSTEES' REPORT (continued)
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Related Parties and other Connected Charities and Organisations

The school facilities include a gymnasium originally funded by public money and grant aided by the Sports Council. Under a community use agreement the school is charged with ensuring the building is made available for community use outside of school hours, with priority of use granted to the Waterside Gymnastics Club. To this end, its use and equipment has always been managed by a Noadswood Gymnasium Committee which is made up of representatives of the local District Council, the Waterside Gymnastics Club and the school and this continues.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Noadswood School to provide a broad and balanced education, for pupils between the ages of 11 and 16, in line with the General Obligations set out in the Funding Agreement.

The School aims to provide education for pupils from the local area. Applications are subject to the school's Admissions Policy which is in line with the School Admissions Code and the School Admission Appeals code published by the DfE.

Objectives, Strategies and Activities

The Trustees provided important challenge and high quality dialogue to ensure that the school's ethos, values and expectations were maintained, whilst holding the school to appropriate account about its improvement and development objectives for the short, medium and longer term. Following the collective crafting of a mission and vision statement in 2017, and strategic intents to underpin the school's improvement plan, as well as the Headteacher's Performance Objectives, trustees have now reviewed intents according to a series of Key Performance Indicators. This process of monitoring will now feed into the school's three year strategic plan and review cycle.

The Trustees and the Headteacher, together, continue to ensure there is a coherent thread of accountability for the school's strategic objectives and outcomes from these. Trustees continue a robust cycle of meetings with leaders of whole school areas, such as Health and Safety, Safeguarding, anti-bullying, SEND and the deployment of the Pupil Premium to verify policies and practices are followed as well as assessing the quality of service provided. Trustees have held subject leaders to account and provided them with appropriate support and there has been improvement in terms of the key accountability measure, Progress 8 Score, in the 2018 results. The school has also gained strong attainment outcomes in Science and Maths, with improved attainment outcomes in subjects of concern from 2017 (Drama, some of the EBACC subjects). This work has involved Trustees making learning visits to the core and increasingly the foundation subject leaders, asking questions about key performance indicators and reflecting with leaders on their foci for improved pupil progress. Trustees are fluent in the different strands of accountability for successful KS4 outcomes within Progress 8, the 9-1 assessment system and indicators such as attendance, exclusions and pupil wellbeing/happiness scores.

There has continued to be a particular focus on closing the gap in progress and attainment between pupils eligible for Pupil Premium funding and those who are not. As last year, Key Performance Indicators show that these interventions, as well as a focus on the teaching that these pupils receive in the classroom, have continued to close the attainment gap between eligible and non-eligible pupil groups. Trustees work with school leaders on other as important progress and attainment 'gaps' such as that between boys and girls, and that between able boys and able girls in particular.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The strategic focus on Health and Safety has been successfully maintained, with Trustees continuing to have positive and deep impact, alongside school and premises leaders for a culture change in this important area of school life. An independent audit was carried out in October 2017 in which we obtained a 70% compliance score. We will have another audit in 2019 with the aim to obtain a score of 85% with continuing improvements thereafter. The Trustees in the School Improvement and Standards Committee understand the school's ambition for and work on a culture of a 'Growth Mindset' for all pupils and staff, and monitor its impact on school culture, aspiration promotion, learning tenacity and parental support and how improvements in these areas are influencing pupil outcomes as well as next steps. They also marry this with progress with hard indicators such as attendance, exclusions and anti-bullying statistics as well as soft indicators such as behaviour management in learning and social times.

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The Trustees of the Academy Trust see their role in regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties as supporting, facilitating and enabling all the school's resources to be focussed on the education of our pupils. This manifests itself several ways.

In the provision of a broadly based curriculum, a wide range of extra-curricular activities, educational trips, visits and foreign exchange programmes.

In maintaining close links with feeder and other local schools for the purposes of learning and useful collaboration on academic and business matters. A particularly successful aspect of this is the school's creation and leadership of an action research hub, involving ourselves and 5 other local schools, to foster non-cognitive skills and independence of learning within and beyond the classroom in Key Stage 4 pupils, deploying a nationally and internationally evidence based programme. We continue to organise a highly successful STEM week for local schools, a range of festivals, master classes and competitions for children in our linked schools, from as young as Year 1, in order to get them used to the buildings and the people as well as to play our part in the shared creation of a learning culture. Our pupils also visit Primary schools to take part in joint projects, work as sports leaders and help with paired reading.

In providing access to the school's facilities to the wider community: out of hours use of our all-weather surface astro pitch, our tennis courts and gymnasium is a regular feature. The school supports local community clubs by giving them access to these facilities in addition to hiring them out to other groups on a commercial basis. Trustees are also involved in considering wider uses that can be made of the site working alongside a staff group.

In maintaining links with commercial and outside academic organisations like Exxon Mobil in exploring mutual professional skills and training opportunities. in the re-establishment of Work Experience for KS4 pupils, in embarking upon alumni work to showcase ambition, achievement and skills in our local area, and in analysing the school's success against all of the Gatsby Indicators.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Report

Achievements and Performance

The school received its best GCSE examination results in 2016, in terms of both progress and attainment, with the core subjects in particular continuing to perform exceptionally well in 2017, too. In 2018, this was maintained in Science and Maths in particular, and the school saw improvement in attainment in some key Foundation subjects. The Ofsted inspection in March 2017 categorised the school as 'Good', citing the need for the school to maintain its noted work in the underperformance in some EBacc subjects impacting on the school's Progress 8 score. The school has seen some improvement in this respect in 2017 and it continues to be the key indicator for which Trustees are actively verifying and validating performance improvement.

Transition from feeder schools has also been both strengthened in terms of how the school gets to know the pupils before they start and the ways in which the pupils (and their parents) get to experience school life, both before deciding to come and between decision and start date. The school has established a programme of Transition of Learning and Curriculum with one local primary school, which has impacted directly on teaching and learning in Y7. In addition to this, Modern Foreign Language (MFL) is being taught in local feeder schools by a member of Noadswood School's MFL Department. The school is also embarking on work to better anticipate the needs of the most vulnerable learners across the community through analysis of trends and patterns with all local primary schools. These initiatives have prompted very positive feedback from Trustees.

The site has continued to be developed and maintained to be a highly attractive and welcoming learning environment, capitalising on every section of space for the pupils to go during breaks and lunchtimes, as well as improving the overall ergonomics and operation of the school. During 2017 a major refurbishment plan started with replacement of the majority of the roofs in the school. In 2018 replacement of the Scola glazing system was replaced on our Science block and a major heating project is ongoing. The school's main boiler house has seen a wholesale replacement of boilers and calorifiers and the majority of the school will receive new radiators and pipework. This work will upgrade the school's facilities making the school a more comfortable environment to work in.

We strive to ensure that both pupils and colleagues feel valued in the school. This is demonstrated effectively in the colleague led 'Celebration of Success' project across the schools' display areas and in pupil driven projects for productive and positive lunchtimes for all and for an explicit and celebrated culture of kindness and mutual respect.

Key Performance Indicators

The School uses the financial benchmarking data available from the DfE website as well as our auditors to inform Trustees about how the school compares to similar schools on key financial indicators. These include income per pupil, expenditure per pupil and pupil to staff ratio comparing Noadswood to local academies and national averages.

The school uses a best value approach and encourages all members of staff to challenge whether the performance of the school is high enough and to consider at all times how and why all services are being provided. The School aims to be aware of developments in the field of education and business, where we are placed and strives to secure efficient and effective services.

Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial Review

In the year to August 2018 the Academy made a deficit of £50,170 on unrestricted and restricted general funds. The surplus in respect of restricted fixed asset funds was £602,877, resulting in an overall surplus of £552,707 (2017: £172,671, excluding actuarial gains in respect of the local government pension scheme of £345,000 (2017: £479,000).

Restricted income funds were £589,803 (2017: £655,999), and unrestricted income funds were £692,110 (2017: £602,005). The total of restricted and unrestricted income funds were £1,281,913 (2017: £1,258,004).

Reserves Policy

A simple Reserves policy has been adopted to establish an agreed level of financial reserves to enable the school to smoothly manage day to day and longer term variations in recurrent expenditures and in plans for capital spending.

In addition to the ongoing monitoring of cash flow by the Business Manager, reserve levels in bank balance and other financial holdings are reviewed at each General Purposes Committee meeting and any recommended changes will be put to the Board of Trustees for approval.

The Board of Trustees has agreed that reserve levels will be maintained at a conservative minimum of 7% of GAG income plus any funds earmarked for future capital projects, major maintenance and the anticipated deficit budgets. The Academy keeps a five year programme of capital/one off projects which fall outside the day to day running costs. The average annual cost is £120K. It is forecast that the annual GAG income will not cover these costs. In fact our expectation is that income will not keep pace with increasing staff costs, including pension and NI contributions, and mandatory additional expenditure such as the apprenticeship levy.

The reserves as at 31 August 2018 were as follows:

- Unrestricted (free) reserves of £692,110
- A restricted fixed asset fund of £9,818,159, which can only be realised through disposal of fixed assets
- A pension deficit of £1,056,000
- Other restricted funds of £589,803
- Total funds of £10,044,072

There is a £1,056,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

A simple policy has been set out to ensure that suitable advice is taken and appropriate risk assessments is made about decisions to invest the school's funds. Returns received from investments will be regularly monitored by the Business Manager and will be reviewed by the General Purposes Committee at least annually. Any proposed investment and any recommendations for change will be put to the General Purposes committee for scrutiny and approval. Additionally the Board of Trustees has agreed that until we have access to the appropriate expertise in financial investments only low risk investments such as readily accessed and monitored deposit accounts will be considered.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties

The principal risks facing the Academy are:

Variation of pupil numbers, affecting annual income, which we must protect against by maintaining our leading performance in relation to national and local data as well as considering reductions in spending.

Anticipated reduction in real terms of annual income going forward due ESFA income not keeping pace with increasing staff costs and additional mandatory expenditure such as the apprenticeship levy.

Cover for and succession of key personnel. Steps have been taken to ensure every person carrying a key responsibility has a trained and knowledgeable deputy.

Recruitment of high quality teaching staff. The Headteacher and Board of Trustees will be looking at ways to increase the number of applicants to future posts as well as the retention of current staff.

We intend to manage uncertainties like the future levels of funding in these austere times by ensuring adequate minimum cash reserves are held to allow time for any adjustments that may prove to be necessary, however this will continually create a tension between spending today to make available the best education for our pupils and the holding of contingency funds against tomorrow's unknowns.

The Academy Trust practices through its Board, namely the Board of Trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any subcommittee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

Since the school converted to Academy status an assessment has been made of possible risks to the operation and future of the school. The resulting Risk Register has been reviewed by the Board of Trustees and the identified control and procedure updates required to minimise and mitigate identified risks have been approved by them.

The major risks included:

Variations year on year in pupil numbers, affecting funding levels. The school is one of three secondary schools within a three mile radius, none of which is oversubscribed. This is not a new situation, but maintaining the school's academic results, reputation and how it is perceived by parents and pupils in the catchment and surrounding areas will continue to be of strategic importance.

Recruitment of high quality teaching staff. Some subjects are showing low levels of available teachers and our geographic location may make recruitment difficult in the future.

Anticipated reduction in real terms of annual income going forward due ESFA income not keeping pace with increasing staff costs.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through cake sales, non-uniform days etc. The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable
- No complaints were made to the academy trust during the year

Plans for Future Periods

The main plans for further improving the school are laid out in the School Development Plan.

We aim to further improve outcomes for pupils by improving learning through a concentration on literacy and all subject areas are analysing and strengthening the opportunities they provide for developing this aspect of pupils' performance.

We will continue to enhance the environment and facilities of the school.

Funds Held as Custodian Trustee on Behalf of Others

The school holds no funds as a Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26 November 2018 and signed on the board's behalf by:



.....
Mr K O'Brien
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Noadswood School 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 Headteacher, 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 Noadswood School 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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Marshall	5	5
C Blake	4	5
A Munden	4	5
A McElevey	4	5
T Newey	3	5
K O'Brien (Chair of Trustees from September 2018)	5	5
P-J Putt	1	5
J Rapson (Chair of Trustees to September 2018)	4	5
M Roberts	4	5
D Smith	5	5
M Wooster	1	5
J French	4	5
E Huttly	5	5
S Balson	5	5
Non-member S Staley (Business Manager)	1	5

The general purposes committee is a sub-committee of the main board of trustees. Its purpose is to add purpose and particular issues dealt with in the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Marshall	4	6
C Blake	4	6
J Rapson	5	6
M Roberts (Chair of committee)	5	6
D Smith (Staff governor)	5	6
E Huttly (Staff governor)	5	6
Non-member S Staley (Business Manager)	6	6

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GOVERNANCE STATEMENT (continued)

The school improvement committee is also a sub-committee of the main board of trustees. Its purpose is to support and agree improvements in the curriculum to enhance academic performance and to promote and track their effective implementation.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Marshall	4	6
A Munden (Chair of committee)	6	6
A McElevey	4	6
T Newey	3	6
K O'Brien	4	6
P-J Putt	3	6
M Wooster (Staff governor)	1	6
J French (Staff governor)	5	6
S Balson (Staff governor)	5	6
Non-member M Hewitt (Deputy Headteacher)	4	6
Non-member S Pike (Asst Headteacher)	4	6

The Pay and Personnel Committee is also a subcommittee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Marshall	4	4
C Blake	3	4
A McElevey	2	4
K O'Brien	1	4
P-J Putt (Chair of committee)	2	4
J Rapson	4	4
M Roberts	4	4
S Balson	4	4

Review of Value for Money

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

The Accounting Officer considers how the Academy'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 appropriate.

The Accounting Officer for the Academy has delivered improved value for money during the year by using benchmarking information from the ESFA and the auditors to identify and areas requiring review. There has been no cause for concern raised by any benchmarking data. Staffing is the biggest cost to the Academy. We have endeavoured to ensure that the staffing structure provides both excellent teaching and support staff within the school whilst being cautious with regards to expenditure. In the year to August 2018 we have undertaken a review of the budget on a line by line basis to identify appropriate and manageable cost savings.

NOADSWOOD SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Noadswood School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Academy'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 General Purposes Committee 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 not to appoint an internal auditor. However, the Trustees have appointed Mr A McElevey, Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The schedule of work was delivered as planned. No material control issues arose as a result of the work.

NOADSWOOD SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

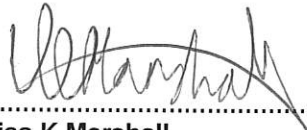
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the General Purposes Committee and School Improvement Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 26 November 2018 and signed on their behalf, by:



.....
Mr K O'Brien
Chair of Trustees



.....
Miss K Marshall
Accounting Officer

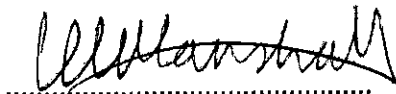
NOADSWOOD SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Noadswood School 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



.....
Miss K Marshall
Accounting Officer

Date: 26 November 2018

NOADSWOOD SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 26 November 2018 and signed on its behalf by:



.....
Mr K O'Brien
Chair of Trustees

NOADSWOOD SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NOADSWOOD SCHOOL**

OPINION

We have audited the financial statements of Noadswood School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

NOADSWOOD SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NOADSWOOD SCHOOL**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

NOADSWOOD SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NOADSWOOD SCHOOL**

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR
Date:

NOADSWOOD SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
NOADSWOOD SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Noadswood School during the year 1 September 2017 to 31 August 2018 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 Noadswood School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Noadswood School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Noadswood School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF NOADSWOOD SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Noadswood School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

NOADSWOOD SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
NOADSWOOD SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Richard Hurst FCA

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date:

NOADSWOOD SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	5,623	-	2,292,311	2,297,934	718,434
Charitable activities	3	-	5,371,569	-	5,371,569	5,094,855
Other trading activities	4	82,243	17,188	-	99,431	119,886
Investments	5	7,249	-	-	7,249	6,662
TOTAL INCOME		95,115	5,388,757	2,292,311	7,776,183	5,939,837
EXPENDITURE ON:						
Charitable activities		5,010	5,529,032	1,689,434	7,223,476	5,767,166
TOTAL EXPENDITURE	6	5,010	5,529,032	1,689,434	7,223,476	5,767,166
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	90,105	(140,275)	602,877	552,707	172,671
		-	(20,921)	20,921	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		90,105	(161,196)	623,798	552,707	172,671
Actuarial gains on defined benefit pension schemes	23	-	345,000	-	345,000	479,000
NET MOVEMENT IN FUNDS		90,105	183,804	623,798	897,707	651,671
RECONCILIATION OF FUNDS:						
Total funds brought forward		602,005	(650,001)	9,194,361	9,146,365	8,494,694
TOTAL FUNDS CARRIED FORWARD		692,110	(466,197)	9,818,159	10,044,072	9,146,365

The notes on pages 27 to 49 form part of these financial statements.

NOADSWOOD SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07693860

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		8,437,530		8,641,741
CURRENT ASSETS					
Stocks	13	1,970		2,589	
Debtors	14	1,769,436		495,749	
Investments	15	207,668		506,290	
Cash at bank and in hand		1,933,974		1,373,069	
		<u>3,913,048</u>		<u>2,377,697</u>	
CREDITORS: amounts falling due within one year	16	<u>(1,212,095)</u>		<u>(567,073)</u>	
NET CURRENT ASSETS			<u>2,700,953</u>		<u>1,810,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,138,483</u>		<u>10,452,365</u>
CREDITORS: amounts falling due after more than one year	17		<u>(38,411)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>11,100,072</u>		<u>10,452,365</u>
Defined benefit pension scheme liability	23		<u>(1,056,000)</u>		<u>(1,306,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>10,044,072</u></u>		<u><u>9,146,365</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	589,803		655,999	
Restricted fixed asset funds	18	9,818,159		9,194,361	
		<u>10,407,962</u>		<u>9,850,360</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(1,056,000)</u>		<u>(1,306,000)</u>	
Total restricted income funds			<u>9,351,962</u>		<u>8,544,360</u>
Unrestricted income funds	18		<u>692,110</u>		<u>602,005</u>
TOTAL FUNDS			<u><u>10,044,072</u></u>		<u><u>9,146,365</u></u>

NOADSWOOD SCHOOL
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:



.....
Mr K O'Brien
Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

NOADSWOOD SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>304,248</u>	<u>484,281</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(41,965)	(113,622)
Sale/(purchase) of short term investments		<u>298,622</u>	<u>(506,290)</u>
Net cash provided by/(used in) investing activities		<u>256,657</u>	<u>(619,912)</u>
Change in cash and cash equivalents in the year		560,905	(135,631)
Cash and cash equivalents brought forward		<u>1,373,069</u>	<u>1,508,700</u>
Cash and cash equivalents carried forward	21	<u><u>1,933,974</u></u>	<u><u>1,373,069</u></u>

NOADSWOOD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 of financial statements

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

Noadswood School constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 Department for Education Group.

NOADSWOOD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

NOADSWOOD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not provided
Leasehold property	-	Shorter of 2% -10% straight line or length of lease
Improvement to property	-	2% straight line
Furniture and fixtures	-	10% straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

NOADSWOOD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

The Academy 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 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.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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 other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments 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 23, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	5,623	-	5,623	3,712
Grants	-	2,292,311	2,292,311	714,722
	<u>5,623</u>	<u>2,292,311</u>	<u>2,297,934</u>	<u>718,434</u>
<i>Total 2017</i>	<u>3,712</u>	<u>714,722</u>	<u>718,434</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,878,669	4,878,669	4,695,698
DfE/ESFA other grants	-	176,295	176,295	166,665
	<u>-</u>	<u>5,054,964</u>	<u>5,054,964</u>	<u>4,862,363</u>
Other government grants				
Local authority grants	-	72,697	72,697	36,758
	<u>-</u>	<u>72,697</u>	<u>72,697</u>	<u>36,758</u>
Other funding				
Trip income	-	165,885	165,885	167,546
Other income	-	78,023	78,023	28,188
	<u>-</u>	<u>243,908</u>	<u>243,908</u>	<u>195,734</u>
	<u>-</u>	<u>5,371,569</u>	<u>5,371,569</u>	<u>5,094,855</u>
<i>Total 2017</i>	<u>-</u>	<u>5,094,855</u>	<u>5,094,855</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	47,164	17,188	64,352	56,844
Sales of goods and services	20,719	-	20,719	24,089
Music services	14,360	-	14,360	15,812
Other income	-	-	-	17,771
Income from solar panels	-	-	-	5,370
	<u>82,243</u>	<u>17,188</u>	<u>99,431</u>	<u>119,886</u>
<i>Total 2017</i>	<u>102,115</u>	<u>17,771</u>	<u>119,886</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	7,249	-	7,249	6,662
	<u>6,662</u>	<u>-</u>	<u>6,662</u>	
<i>Total 2017</i>	<u>6,662</u>	<u>-</u>	<u>6,662</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	3,741,065	-	690,544	4,431,609	4,260,397
Support costs	593,933	1,872,243	325,691	2,791,867	1,506,769
	<u>4,334,998</u>	<u>1,872,243</u>	<u>1,016,235</u>	<u>7,223,476</u>	<u>5,767,166</u>
Total 2017	<u>4,155,427</u>	<u>571,116</u>	<u>1,040,623</u>	<u>5,767,166</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	65,818	65,818	98,541
Premises costs	1,872,243	1,872,243	571,116
Governance costs	11,680	11,680	11,610
Other costs	248,193	248,193	243,248
Wages and salaries	408,061	408,061	379,397
National insurance	29,085	29,085	27,206
Pension cost	156,787	156,787	175,651
	<u>2,791,867</u>	<u>2,791,867</u>	<u>1,506,769</u>
Total 2017	<u>1,506,769</u>	<u>1,506,769</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	236,689	250,007
Auditors' remuneration - audit	7,630	7,460
Auditors' remuneration - other services	4,050	4,150
Operating lease rentals	5,739	8,284
	<u>254,108</u>	<u>269,901</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,397,479	3,229,250
Social security costs	322,411	318,714
Operating costs of defined benefit pension schemes	615,108	607,463
	<u>4,334,998</u>	<u>4,155,427</u>

b. Non-statutory/non-contractual staff severance payments

Included in wages and salaries is a non-statutory/non contractual severance payment of £3,906. A payment was also made to the employee's legal advisor of £250 in accordance with the settlement agreement.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	68	77
Administration and support	52	56
Management	6	6
	<u>126</u>	<u>139</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of staff costs in respect of key management personnel was £476,395 (2017: £468,562).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£'000	£'000
Miss K Marshall	Remuneration	85-90	80-85
	Pension contributions paid	10-15	10-15
Staff governor 1	Remuneration	20-25	20-25
	Pension contributions paid	0-5	0-5
Staff governor 2	Remuneration	35-40	35-40
	Pension contributions paid	5-10	5-10
Staff governor 3	Remuneration	20-25	20-25
	Pension contributions paid	0-5	0-5
Staff governor 4	Remuneration	40-45	35-40
	Pension contributions paid	5-10	5-10

During the year, travel and subsistence expenses totalling £23 (2017: £nil) were reimbursed to one governor.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5m on any one claim. The cost for the year ended 31 August 2018 is included within the Academy's Insurance premium on a per pupil basis.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Improve- ments to property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2017	8,947,466	110,160	463,973	76,755	313,887	9,912,241
Additions	-	1,196	17,857	-	22,912	41,965
Disposals	-	-	-	(15,330)	(1,448)	(16,778)
At 31 August 2018	8,947,466	111,356	481,830	61,425	335,351	9,937,428
Depreciation						
At 1 September 2017	866,862	3,251	155,380	10,329	234,678	1,270,500
Charge for the year	145,144	2,205	46,818	3,838	38,684	236,689
On disposals	-	-	-	(5,843)	(1,448)	(7,291)
At 31 August 2018	1,012,006	5,456	202,198	8,324	271,914	1,499,898
Net book value						
At 31 August 2018	7,935,460	105,900	279,632	53,101	63,437	8,437,530
At 31 August 2017	8,080,604	106,909	308,593	66,426	79,209	8,641,741

13. STOCKS

	2018 £	2017 £
Goods for resale	1,970	2,589

14. DEBTORS

	2018 £	2017 £
Trade debtors	6,739	20,895
Prepayments and accrued income	1,649,427	400,331
VAT recoverable	113,270	74,523
	1,769,436	495,749

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**NOTES TO THE FINANCIAL STATEMENTS
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15. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Short term deposits	207,668	506,290

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	536,405	266,861
Other taxation and social security	80,387	79,954
Other creditors	71,171	65,755
Accruals and deferred income	524,132	154,503
	<u>1,212,095</u>	<u>567,073</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	84,427	59,532
Resources deferred during the year	115,228	84,427
Amounts released from previous years	(84,427)	(59,532)
Deferred income at 31 August 2018	<u>115,228</u>	<u>84,427</u>

Deferred income relates to monies received in advance of trips and music lessons which relate to the forthcoming year.

17. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Other creditors	38,411	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	18,812	-

Other creditors comprise interest free Salix energy efficiency loans which are repayable in instalments.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	602,005	95,115	(5,010)	-	-	692,110
Restricted funds						
General Annual Grant	633,838	4,878,669	(4,932,012)	(20,921)	-	559,574
Pupil premium	-	176,295	(176,295)	-	-	-
Local authority grants	-	72,697	(72,697)	-	-	-
Gym	22,161	17,188	(9,120)	-	-	30,229
Other educational activities	-	243,908	(243,908)	-	-	-
Pension reserve	(1,306,000)	-	(95,000)	-	345,000	(1,056,000)
	<u>(650,001)</u>	<u>5,388,757</u>	<u>(5,529,032)</u>	<u>(20,921)</u>	<u>345,000</u>	<u>(466,197)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	8,641,741	-	(246,176)	41,965	-	8,437,530
DfE/ESFA capital grants	-	21,044	-	(21,044)	-	-
CIF - Roofing	552,620	(22,552)	(516,200)	-	-	13,868
CIF - Heating	-	1,641,834	(447,127)	-	-	1,194,707
CIF - Glazing	-	651,985	(479,931)	-	-	172,054
	<u>9,194,361</u>	<u>2,292,311</u>	<u>(1,689,434)</u>	<u>20,921</u>	<u>-</u>	<u>9,818,159</u>
Total restricted funds	<u>8,544,360</u>	<u>7,681,068</u>	<u>(7,218,466)</u>	<u>-</u>	<u>345,000</u>	<u>9,351,962</u>
Total of funds	<u>9,146,365</u>	<u>7,776,183</u>	<u>(7,223,476)</u>	<u>-</u>	<u>345,000</u>	<u>10,044,072</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, and rates funding streams.

Pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General funds	492,273	112,489	(2,757)	-	-	602,005
	<u>492,273</u>	<u>112,489</u>	<u>(2,757)</u>	<u>-</u>	<u>-</u>	<u>602,005</u>
Restricted funds						
General Annual Grant	669,931	4,695,698	(4,648,605)	(83,186)	-	633,838
Pupil premium	-	166,665	(166,665)	-	-	-
Local authority grants	-	36,758	(36,758)	-	-	-
Gym	25,207	16,074	(9,120)	(10,000)	-	22,161
Other educational activities	190,157	197,431	(387,588)	-	-	-
Pension reserve	(1,661,000)	-	(124,000)	-	479,000	(1,306,000)
	<u>(775,705)</u>	<u>5,112,626</u>	<u>(5,372,736)</u>	<u>(93,186)</u>	<u>479,000</u>	<u>(650,001)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	8,778,126	-	(250,007)	113,622	-	8,641,741
DfE/ESFA capital grants	-	20,436	-	(20,436)	-	-
CIF - Roofing	-	694,286	(141,666)	-	-	552,620
	<u>8,778,126</u>	<u>714,722</u>	<u>(391,673)</u>	<u>93,186</u>	<u>-</u>	<u>9,194,361</u>
Total restricted funds	<u>8,002,421</u>	<u>5,827,348</u>	<u>(5,764,409)</u>	<u>-</u>	<u>479,000</u>	<u>8,544,360</u>
Total of funds	<u>8,494,694</u>	<u>5,939,837</u>	<u>(5,767,166)</u>	<u>-</u>	<u>479,000</u>	<u>9,146,365</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	492,273	207,604	(7,767)	-	-	692,110
	<u>492,273</u>	<u>207,604</u>	<u>(7,767)</u>	<u>-</u>	<u>-</u>	<u>692,110</u>
Restricted funds						
General Annual Grant	669,931	9,574,367	(9,580,617)	(104,107)	-	559,574
Pupil premium	-	342,960	(342,960)	-	-	-
Local authority grants	-	109,455	(109,455)	-	-	-
Gym	25,207	33,262	(18,240)	(10,000)	-	30,229
Other educational activities	190,157	441,339	(631,496)	-	-	-
Pension reserve	(1,661,000)	-	(219,000)	-	824,000	(1,056,000)
	<u>(775,705)</u>	<u>10,501,383</u>	<u>(10,901,768)</u>	<u>(114,107)</u>	<u>824,000</u>	<u>(466,197)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	8,778,126	-	(496,183)	155,587	-	8,437,530
DfE/ESFA capital grants	-	41,480	-	(41,480)	-	-
CIF - Roofing	-	671,734	(657,866)	-	-	13,868
CIF - Heating	-	1,641,834	(447,127)	-	-	1,194,707
CIF - Glazing	-	651,985	(479,931)	-	-	172,054
	<u>8,778,126</u>	<u>3,007,033</u>	<u>(2,081,107)</u>	<u>114,107</u>	<u>-</u>	<u>9,818,159</u>
	<u>8,002,421</u>	<u>13,508,416</u>	<u>(12,982,875)</u>	<u>-</u>	<u>824,000</u>	<u>9,351,962</u>
Total of funds	<u><u>8,494,694</u></u>	<u><u>13,716,020</u></u>	<u><u>(12,990,642)</u></u>	<u><u>-</u></u>	<u><u>824,000</u></u>	<u><u>10,044,072</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,437,530	8,437,530
Current assets	692,110	1,840,309	1,380,629	3,913,048
Creditors due within one year	-	(1,212,095)	-	(1,212,095)
Creditors due in more than one year	-	(38,411)	-	(38,411)
Pension reserve	-	(1,056,000)	-	(1,056,000)
	<u>692,110</u>	<u>(466,197)</u>	<u>9,818,159</u>	<u>10,044,072</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,641,741	8,641,741
Current assets	602,005	1,223,072	552,620	2,377,697
Creditors due within one year	-	(567,073)	-	(567,073)
Pension reserve	-	(1,306,000)	-	(1,306,000)
	<u>602,005</u>	<u>(650,001)</u>	<u>9,194,361</u>	<u>9,146,365</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	552,707	172,671
Adjustment for:		
Depreciation charges	236,689	250,007
Loss on the sale of fixed assets	9,487	-
Decrease/(increase) in stocks	619	(2,589)
Increase in debtors	(1,273,687)	(259,551)
Increase in creditors	683,433	199,743
Defined benefit pension scheme cost less contributions payable	95,000	124,000
Net cash provided by operating activities	304,248	484,281

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,933,974	1,373,069
Total	1,933,974	1,373,069

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	1,408,977	519,000

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FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £64,587 were payable to the schemes at 31 August 2018 (2017 - £60,558) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £394,255 (2017 - £379,427).

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23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £197,000 (2017 - £177,000), of which employer's contributions totalled £154,000 (2017 - £136,000) and employees' contributions totalled £43,000 (2017 - £41,000). The agreed contribution rates for future years are 15.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %

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

	2018	2017
Retiring today		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years		
Males	26.2	26.0
Females	29.4	29.3

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	3,610,000	3,663,000
Discount rate -0.1%	3,776,000	3,827,000
Mortality assumption - 1 year increase	3,801,000	3,862,000
Mortality assumption - 1 year decrease	3,584,000	3,627,000

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,733,000	1,460,000
Government bonds	621,000	592,000
Corporate bonds	33,000	26,000
Property	187,000	155,000
Cash	62,000	72,000
Other	76,000	81,000
Total market value of assets	2,712,000	2,386,000

The actual return on scheme assets was £178,000 (2017 - £156,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(219,000)	(228,000)
Net interest cost	(30,000)	(32,000)
Total	(249,000)	(260,000)

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

	2018 £	2017 £
Opening defined benefit obligation	3,692,000	3,744,000
Current service cost	219,000	228,000
Interest cost	92,000	75,000
Employee contributions	43,000	41,000
Actuarial gains	(229,000)	(366,000)
Benefits paid	(49,000)	(30,000)
Closing defined benefit obligation	3,768,000	3,692,000

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

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

	2018 £	2017 £
Opening fair value of scheme assets	2,386,000	2,083,000
Interest income	62,000	43,000
Actuarial losses	116,000	113,000
Employer contributions	154,000	136,000
Employee contributions	43,000	41,000
Benefits paid	(49,000)	(30,000)
	<u>2,712,000</u>	<u>2,386,000</u>
Closing fair value of scheme assets	<u>2,712,000</u>	<u>2,386,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	5,539	3,755
Between 1 and 5 years	5,755	2,781
Total	<u>11,294</u>	<u>6,536</u>

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

26. MEMBERS' LIABILITY

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

