

Noadswood School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
07693860 (England and Wales)

Noadswood School

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Noadswood School

Reference and Administrative Details

Members:

S Balson
C Blake
A Munden
K O'Brien
J Rapson
M Roberts

Trustees:

S Balson
C Blake
R Clark (appointed 24 September 2018)
N Cotton (appointed 26 November 2018)
A Drury (appointed 29 June 2019)
J French
E Huttly
C Langdon (appointed 8 July 2019)
K Marshall
A Munden
K O'Brien
P Putt (resigned 15 April 2019)
J Rapson
M Roberts
D Smith
P Uglow (resigned 7 July 2019)
M Wooster (resigned 27 November 2018)
J Young (appointed 26 November 2018)

Company Secretary

S Staley

Senior Management Team:

K Marshall	Head Teacher
M Hewitt	Deputy Head Teacher
L Compton	Assistant Head Teacher
N Dossett	Assistant Head Teacher
S Pike	Assistant Head Teacher
S Staley / R Jackson	School Business Manager

Noadswood School

Reference and Administrative Details

Company Name

Noadswood School

Principal and Registered Office

North Road
Dibden Purlieu
Southampton
Hampshire
SO45 4ZF

Company Registration Number

07693860 (England and Wales)

Independent Auditor

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

Noadswood School

Trustees' Report

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 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area on the Waterside near Hythe in Hampshire. It has a pupil capacity of 1125 (225 PAN p/year) and had a roll of 1011 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, the Chair of the General Purposes Committee and the Chair of the Pay and Personnel 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.

Noadswood School

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees (continued)

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.

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.

Noadswood School

Trustees' Report

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/Finance Manager. The Pay and Personnel Committee meets 5 times per year to consider reports from the Headteacher, and sometimes the School Business Manager and Leaders on Performance Management, colleague wellbeing and pay.

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 and Personnel Committee (Chair – Mrs S Balson)

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.

Headteacher Performance Management Committee (Chair – Mr Chris Blake)

This committee deals with the Headteacher's performance against strategic objectives, taken from the school's Key Performance Indicators, along with a wellbeing objective. The committee makes a recommendation regarding the Headteacher's Pay to the Pay and Personnel Committee. The Performance Management Committee also has an External Advisor.

Noadswood School

Trustees' Report

Organisational Structure (continued)

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 Senior Leadership Team 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.

Noadswood School

Trustees' Report

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

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 continued to review intents according to a series of Key Performance Indicators. This process of monitoring has fed into the school's strategic plan and review cycle for two years now, with Headteacher's Reports and Committee meeting reports structured around progress against the KPIs.

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 finance, Health and Safety, Safeguarding, behaviour for learning and school culture, SEND and the deployment of the Pupil Premium to verify policies and practices are followed as well as assessing the quality of service provided. The Chair of the Board is the Safeguarding Link Governor, meeting relevant senior leaders regularly, providing regular reports to the Board and ensuring that the annual safeguarding action plan is robust.

Noadswood School

Trustees' Report

Objectives, Strategies and Activities (continued)

Trustees have held subject leaders to account, triangulated the reports by the Headteacher and key senior leaders through school visits and an exam review day and provided them with appropriate support through well-established subject link visits. This work has involved Trustees making learning visits to the core and 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, continue to close the attainment gap between eligible and non-eligible pupil groups. Trustees work with school leaders on important progress and attainment 'gaps' such as that between boys and girls, that between pupils on Alternative Provision programmes and all other pupils, and that between high attenders and those whose attendance is a cause for concern.

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 sustained culture change in this important area of school life. An independent audit was carried out in October 2019 in which the school obtained a 78% compliance score. We will have another audit in 2021 with the aim to obtain a score of 90% with continued embedding of improvements thereafter.

The Trustees in the School Improvement and Standards Committee understand the school's ambition for and work on a culture of resilient and challenging learning for all pupils, along with research rich collaboration for excellence for staff, and monitor the impact of this work, as well as of the school's curriculum review programme. 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.

Trustees and the Headteacher strive to ensure that both pupils and colleagues feel valued in the school. This is demonstrated effectively by the colleague and pupil satisfaction scores surveyed annually and monitored by Trustees, as well as the 'You said, We did' action plans that come from these surveys, and are reported on regularly to the School Improvement and Standards Committee.

Those Trustees in the General Purposes Committee and Pay and Personnel Committee work with the Headteacher to ensure effective strategic management and monitoring of the school finances and staffing structure. Trustees understand the work being done by the Headteacher, the Business Manager and the Finance Manager to produce a three year deficit recovery plan, and Trustees on all Committees strategically oversee this plan within the context of the rest of the school's KPIs and its vision, and in the best interests of the pupils.

Noadswood School

Trustees' Report

Objectives, Strategies and Activities (continued)

The Trustees take seriously their responsibilities against the Academies Financial Handbook 2019, and have worked with the National Governance Association via a review of governance and with the Chair and Headteacher of another local trust as part of their commitment to excellence and compliance.

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 in several ways:

In the provision of a broad curriculum, that is reviewed in terms of its intent, impact and outcomes for pupils,

In a wide range of extracurricular activities, educational trips, visits and foreign exchange programmes, that are tracked in terms of opportunity for all pupils and for groups of pupils.

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 a range of other local schools, on key areas of pedagogy and school culture. 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.

Noadswood School

Trustees' Report

Strategic Report

Achievements and Performance

Performance:

The school reported -0.04 in terms of the key accountability measure, Progress 8, in the 2019 Key Stage 4 outcomes, marking a significant improvement and the school's greatest success since the establishment of the 9-1 assessment system. The school also gained strong attainment outcomes, with an average Attainment 8 grade of 5.05 and strong outcomes in English, Literature Science and Maths. 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 important improvement in the EBacc Average Point Score in 2019 (4.53 from 4.02 in 2018, with 6.5% greater cohort entry) and it continues to be a key indicator about which Trustees are actively verifying and validating data, along with specific subjects within the Open Bucket.

Transition from feeder schools has been 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 programmes around Transition of Learning and Curriculum with two local primary schools, which has impacted directly on teaching and learning in Y7 and the process of curriculum review. A wider partnership of feeder schools working to these ends is also being established. In addition to this, Modern Foreign Languages (MFL) are being taught in local feeder schools by a member of Noadswood School's MFL Department. The school continues to 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, with impact measured through Teaching and Learning KPIs as well as the newly established surveying of partner schools.

Site:

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 has now been successfully completed, too. The school's main boiler house has seen a wholesale replacement of boilers and calorifiers and the majority of the school has also received new radiators and pipework. This work has significantly improved the school and made it a more comfortable environment in which to work.

The newly established Parent Staff Association is also fundraising for the creation of a Community Garden on the school site, the vision for which has come from a pupil group and the Headteacher, and they are half way towards the fundraising goal. Work is due to commence in 2020.

Noadswood School

Trustees' Report

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.

Financial Review

In the year to August 2018 the Academy made a deficit of £208,791 on unrestricted and restricted general funds. The deficit in respect of the restricted pension fund was £828,000 and the deficit in respect of restricted fixed asset funds was £1,360,302, resulting in an overall deficit of £2,397,093.

Restricted income funds were £291,695 (2018: £589,803), and unrestricted income funds were £781,427 (2018: £692,110). The total of restricted and unrestricted income funds were £1,073,122 (2018: £1,281,913).

Noadswood School

Trustees' Report

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 2019 were as follows:

- Unrestricted (free) reserves of £781,427
- A restricted fixed asset fund of £8,457,857, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,884,000
- Other restricted funds of £291,695
- Total funds of £7,646,979

There is a £1,884,000 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.

Noadswood School

Trustees' Report

Principal Risks and Uncertainties

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 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. 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 improved academic results, reputation and local positioning, and how it is perceived by parents and pupils in the catchment and surrounding areas continue to be of strategic importance.
- 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. Some subjects are showing low levels of available teachers and our geographic location may make recruitment difficult in the future.
- Anticipated three year deficit recovery plan and staffing restructure work threatening other KPIs (curriculum/opportunities for pupils), requiring careful strategic oversight and monitoring. 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, and by creating appropriate deficit recovery plans in liaison with the ESFA. 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.

Noadswood School

Trustees' Report

Fundraising

As part of its work within the community, 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 plans for further improving the school are laid out in the Strategic KPIs, the HT reports on same and in the Leadership Team's QA calendar.

Funds Held as Custodian Trustee on Behalf of Others

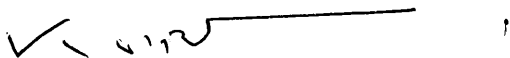
The school holds no funds as a Custodian Trustee on behalf of others.

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 5 December 2019 and signed on the board's behalf by:



K O'Brien

Trustee

Noadswood School

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
Balson, Sarah	4	5
Blake, Christopher (Vice Chair of Trustees)	5	5
Clark, Rachel (appointed 24/09/18)	4	5
Cotton, Neil (appointed 26/11/18)	3	4
Drury, Adam (elected 19/06/19)	1	1
French, Jane	3	5
Huttly, Elaine	5	5
Marshall, Kathryn (Headteacher)	5	5
Munden, Alison	5	5
O'Brien, Kevin (Chair of Trustees from 24/09/18)	4	5
Putt, PJ (resigned 15/04/19)	0	3
Rapson, Jackie (Chair of Trustees until 23/09/18)	5	5
Roberts, Michael	5	5
Smith, Diane	4	5
Uglow, Paul (resigned 07/07/19)	2	4
Wooster, Mark (resigned 27/11/18)	0	1
Young, Jade (appointed 26/11/18)	4	5

Noadswood School

Governance Statement

Governance (continued)

The General Purposes Committee is a committee of the main board of trustees. Its purpose is to oversee finance, premises, and health and safety. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Blake, Christopher (Vice Chair of Trustees)	5	6
Cotton, Neil (appointed 26/11/18)	2	4
Huttly, Elaine	5	6
Marshall, Kathryn (Headteacher)	6	6
Rapson, Jackie (Chair of Trustees until 23/09/18)	6	6
Roberts, Michael (Committee Chair)	3	6
Smith, Diane	6	6

The School Business Manager attends General Purposes Committee Meetings in an advisory capacity.

The School Improvement Committee is also a 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
Balson, Sarah	4	6
Clark, Rachel (appointed 24/09/18)	4	5
French, Jane	5	6
Marshall, Kathryn (Headteacher)	6	6
Munden, Alison (Committee Chair)	5	6
Putt, PJ (resigned 15/04/19)	2	4
Wooster, Mark (resigned 27/11/18)	0	2
Young, Jade (appointed 26/11/18)	2	4

The Pay and Personnel Committee is also a committee of the main board of trustees. Its purpose is to oversee staffing. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Balson, Sarah (Committee Chair from 13/05/19)	7	7
Blake, Christopher (Vice Chair of Trustees)	4	7
Putt, PJ (Committee Chair until his resignation 15/04/19)	1	3
Rapson, Jackie (Chair of Trustees until 23/09/18)	6	7
Roberts, Michael	7	7

The Headteacher attends Pay and Personnel Committee meetings in an advisory capacity.

Noadswood School

Governance Statement

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.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Noadswood School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Noadswood School

Governance Statement

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and 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 is in the process of establishing an Audit Committee within the General Purposes Committee of the Board, with a view to appointing Rebecca Baker, Principal Accountant, Educational Financial Services with Hampshire to provide internal audit. In the meantime, the Trustees appointed Mrs R Clark, 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

Governance Statement

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 auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 5 December 2019 and signed on its behalf by:



K O'Brien
Trustee



K Marshall
Accounting Officer

Noadswood School

Statement of 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 2018.

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

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



K Marshall

Accounting Officer

5 December 2019

Noadswood School

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

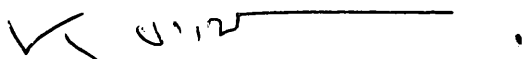
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 5 December 2019 and signed on its behalf by:



K O'Brien
Trustee

Noadswood School

Independent Auditor's Report on the Financial Statements to the Members of Noadswood School

Opinion

We have audited the financial statements of Noadswood School ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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

Independent Auditor's 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 auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Noadswood School

Independent Auditor's Report on the Financial Statements to the Members of Noadswood School

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 to 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of Independent Auditors.

Use of our report

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



R Hurst FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 20 December 2019

Noadswood School

Independent Reporting Accountant's Assurance Report on Regularity to Noadswood School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Noadswood School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the governing body 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 the 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Noadswood School

Independent Reporting Accountant's Assurance Report on Regularity to Noadswood School and the Education & Skills Funding Agency

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 Trust'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 Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust'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 Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

Noadswood School

Independent Reporting Accountant's Assurance Report on Regularity to Noadswood School and the Education & Skills Funding Agency

Conclusion

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



R Hurst FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 20 December 2019

Noadswood School

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
Income and endowments from:							
Donations and capital grants	2	186	-	-	82,574	82,760	2,297,934
Charitable activities:							
Funding for the academy trust's educational operations	3	-	5,421,267	-	-	5,421,267	5,371,569
Other trading activities	4	88,143	15,778	-	-	103,921	99,431
Investments	5	6,909	-	-	-	6,909	7,249
Total		95,238	5,437,045	-	82,574	5,614,857	7,776,183
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	5,921	5,754,160	185,000	1,423,869	7,368,950	7,223,476
Net income / (expenditure)		89,317	(317,115)	(185,000)	(1,341,295)	(1,754,093)	552,707
Transfers between funds	17	-	19,007	-	(19,007)	-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes	25	-	-	(643,000)	-	(643,000)	345,000
Net movement in funds		89,317	(298,108)	(828,000)	(1,360,302)	(2,397,093)	897,707
Reconciliation of funds							
Total funds brought forward		692,110	589,803	(1,056,000)	9,818,159	10,044,072	9,146,365
Total funds carried forward		781,427	291,695	(1,884,000)	8,457,857	7,646,979	10,044,072

The notes on pages 31 to 52 form part of these financial statements.

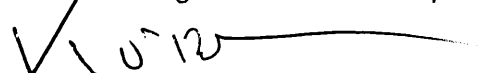
Noadswood School

Balance Sheet as at 31 August 2019

Company Number 07693860

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		8,220,653		8,437,530
Current assets					
Stock	12	1,151		1,970	
Debtors	13	264,235		1,769,436	
Investments	14	459,364		207,668	
Cash at bank and in hand		971,793		1,933,974	
		<u>1,696,543</u>		<u>3,913,048</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(352,705)</u>		<u>(1,212,095)</u>	
Net current assets			<u>1,343,838</u>		<u>2,700,953</u>
Total assets less current liabilities			<u>9,564,491</u>		<u>11,138,483</u>
Creditors:					
Amounts falling due after more than one year	16		<u>(33,512)</u>		<u>(38,411)</u>
Net assets excluding pension liability			<u>9,530,979</u>		<u>11,100,072</u>
Defined benefit pension scheme liability	25		<u>(1,884,000)</u>		<u>(1,056,000)</u>
Total net assets			<u>7,646,979</u>		<u>10,044,072</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	8,457,857		9,818,159	
Restricted income fund	17	291,695		589,803	
Pension reserve	17	<u>(1,884,000)</u>		<u>(1,056,000)</u>	
Total restricted funds			<u>6,865,552</u>		<u>9,351,962</u>
Unrestricted income funds	17		<u>781,427</u>		<u>692,110</u>
Total funds			<u>7,646,979</u>		<u>10,044,072</u>

The financial statements on pages 28 to 52 were approved by the trustees and authorised for issue on 5 December 2019 and are signed on their behalf by:



K O'Brien
Trustee

The notes on pages 31 to 52 form part of these financial statements.

Noadswood School

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(703,978)	304,248
Cash flows from investing activities	22	(258,203)	256,657
Change in cash and cash equivalents in the reporting period		(962,181)	560,905
Cash and cash equivalents at 1 September 2018		1,933,974	1,373,069
Cash and cash equivalents at 31 August 2019	23	971,793	1,933,974

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Donations**

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

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

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

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.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold Land and Buildings	2% straight line on buildings; not provided on land
Leasehold Improvements	2% straight line
Furniture and Equipment	10% straight line
Computer Equipment	25% straight line
Motor Vehicles	5% straight line

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

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

Liabilities

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

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

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

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.



Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

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Notes to the Financial Statements for the Year Ended 31 August 2019

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 25.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds	Restricted funds	2018/19 Total	2017/18 Total
	£	£	£	£
Capital grants	-	82,574	82,574	2,292,311
Other donations	186	-	186	5,623
	186	82,574	82,760	2,297,934
<i>Total 2018</i>	5,623	2,292,311	2,297,934	

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,861,405	4,861,405	4,878,669
Pupil premium	-	193,564	193,564	176,295
Other DfE Group grants	-	2,928	2,928	-
	-	5,057,897	5,057,897	5,054,964
Other Government grants				
Local authority grants	-	84,763	84,763	72,697
Other income from the academy trust's educational operations				
Trip income	-	228,321	228,321	165,885
Other income	-	50,286	50,286	78,023
	-	278,607	278,607	243,908
	-	5,421,267	5,421,267	5,371,569
<i>Total 2018</i>	-	5,371,569	5,371,569	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	55,483	15,778	71,261	64,352
Sales of goods and services	19,700	-	19,700	20,719
Music services	12,960	-	12,960	14,360
	88,143	15,778	103,921	99,431
<i>Total 2018</i>	82,243	17,188	99,431	

5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	6,909	-	6,909	7,249
<i>Total 2018</i>	7,249	-	7,249	

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2018/19	2017/18
	£	£	£	£	£
Academy's educational operations:					
Direct costs	3,858,586	-	766,742	4,625,328	4,431,609
Allocated support costs	732,195	1,623,009	388,418	2,743,622	2,791,867
	4,590,781	1,623,009	1,155,160	7,368,950	7,223,476
<i>Total 2018</i>	<i>4,334,998</i>	<i>1,872,243</i>	<i>1,016,235</i>	<i>7,223,476</i>	

Net income/(expenditure) for the period includes:

	2018/19	2017/18
	£	£
Operating lease rentals	6,003	5,739
Depreciation	211,246	236,689
(Gain)/loss on disposal of fixed assets	12,138	9,487
Fees payable to auditor for:		
Audit	7,785	7,630
Other services	5,935	4,050

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

7 Charitable activities

	2018/19	2017/18
	Total	Total
	£	£
Direct costs	4,625,328	4,431,609
Support costs	2,743,622	2,791,867
	<u>7,368,950</u>	<u>7,223,476</u>

Analysis of support costs:

	Educational operations	2018/19	2017/18
		Total	Total
	£	£	£
Support staff costs	732,195	732,195	593,933
Technology costs	95,150	95,150	65,818
Premises costs	1,623,009	1,623,009	1,872,243
Other support costs	279,548	279,548	248,193
Governance costs	13,720	13,720	11,680
Total support costs	<u>2,743,622</u>	<u>2,743,622</u>	<u>2,791,867</u>

Total 2018

2,791,867 2,791,867

Premises costs includes £330, £1,034,874, and £165,281 in respect of roofing, heating, and glazing CIF projects respectively. The comparative amounts are £516,200, £447,127, and £479,931. These costs were funded by a CIF capital grant from the ESFA.

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Staff

a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	3,522,521	3,397,479
Social security costs	334,603	322,411
Pension costs	733,657	615,108
	<u>4,590,781</u>	<u>4,334,998</u>

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £3,906).

c) Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	66	68
Administration and support	70	52
Management	7	6
	<u>143</u>	<u>126</u>

d) Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	1	1
£80,001 - £90,000	1	1

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £481,971 (2018: £476,395).

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

		2018/19	2017/18
		£000	£000
Miss K Marshall	Remuneration	85-90	85-90
(Staff trustee)	Employer’s pension contributions paid	10-15	10-15
Staff trustee 1	Remuneration	25-30	25-30
(Staff trustee)	Employer’s pension contributions paid	0-5	0-5
Staff trustee 2	Remuneration	40-45	40-45
(Staff trustee)	Employer’s pension contributions paid	5-10	5-10
Staff trustee 3	Remuneration	20-25	20-25
(Staff trustee)	Employer’s pension contributions paid	0-5	0-5
Staff trustee 4	Remuneration	40-45	40-45
(Staff trustee)	Employer’s pension contributions paid	5-10	5-10

During the period ended 31 August 2019, travel and subsistence expenses totalling £30 were reimbursed or paid directly to one trustee (2018: £23 to one trustee).

10 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 period ended 31 August 2019 is included within the academy trust's insurance premium on a per-pupil basis.

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

11 Tangible fixed assets

	Leasehold Land and Buildings £	Leasehold Improve- ments £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2018	8,947,466	111,356	481,830	335,351	61,425	9,937,428
Acquisitions	-	-	6,507	-	-	6,507
Disposals	-	-	(6,788)	(8,243)	(3,100)	(18,131)
At 31 August 2019	8,947,466	111,356	481,549	327,108	58,325	9,925,804
Depreciation						
At 1 September 2018	1,012,006	5,456	202,198	271,914	8,324	1,499,898
Charged in year	145,144	2,205	47,149	13,832	2,916	211,246
Disposals	-	-	(4,808)	(720)	(465)	(5,993)
At 31 August 2019	1,157,150	7,661	244,539	285,026	10,775	1,705,151
Net book values						
At 31 August 2018	7,935,460	105,900	279,632	63,437	53,101	8,437,530
At 31 August 2019	7,790,316	103,695	237,010	42,082	47,550	8,220,653

12 Stock

	2018/19 £	2017/18 £
Other stocks	1,151	1,970

13 Debtors

	2018/19 £	2017/18 £
Trade debtors	16,587	6,739
VAT recoverable	75,788	113,270
Prepayments and accrued income	171,860	1,649,427
	264,235	1,769,436

14 Current asset investments

	2018/19 £	2017/18 £
Bank deposits	459,364	207,668

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	65,094	536,405
Other taxation and social security	79,190	80,387
Loans falling due within one year	4,899	785
Other creditors falling due within one year	75,337	70,386
Accruals and deferred income	128,185	524,132
	352,705	1,212,095

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	115,228	84,427
Released from previous years	(115,228)	(84,427)
Resources deferred in the year	44,798	115,228
Deferred income at 31 August 2019	44,798	115,228

At the balance sheet date the academy trust was holding funds received in advance for trips and music lesson which relate to the forthcoming year.

16 Creditors: amounts falling due in greater than one year

	2018/19	2017/18
	£	£
Loans falling due in greater than one year	33,512	38,411

Loans comprise interest free Salix energy efficiency loans which are repayable in instalments. Included within this amount is £13,914 (2017: £18,812) which is not wholly repayable within five years.

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	559,574	4,861,405	(5,171,144)	19,007	-	268,842
Pupil Premium	-	193,564	(193,564)	-	-	-
Other DfE/ESFA grants	-	2,928	(2,928)	-	-	-
Other government grants	-	84,763	(84,763)	-	-	-
Gym	30,229	17,082	(24,458)	-	-	22,853
Other educational activities	-	277,303	(277,303)	-	-	-
	589,803	5,437,045	(5,754,160)	19,007	-	291,695
Pension reserve	(1,056,000)	-	(185,000)	-	(643,000)	(1,884,000)
	(466,197)	5,437,045	(5,939,160)	19,007	(643,000)	(1,592,305)
Restricted fixed asset funds						
Fixed asset fund	8,437,530	-	(223,384)	6,507	-	8,220,653
DfE Group capital grants (DFC)	-	72,574	-	-	-	72,574
CIF - Roofing	13,868	10,000	(330)	(23,538)	-	-
CIF - Heating	1,194,707	-	(1,034,874)	4,797	-	164,630
CIF - Glazing	172,054	-	(165,281)	(6,773)	-	-
	9,818,159	82,574	(1,423,869)	(19,007)	-	8,457,857
Total restricted funds	9,351,962	5,519,619	(7,363,029)	-	(643,000)	6,865,552
Total unrestricted funds	692,110	95,238	(5,921)	-	-	781,427
Total funds	10,044,072	5,614,857	(7,368,950)	-	(643,000)	7,646,979

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

17 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; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

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 trust 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 funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	633,838	4,878,669	(4,932,012)	(20,921)	-	559,574
Pupil Premium	-	176,295	(176,295)	-	-	-
Other government grants	-	72,697	(72,697)	-	-	-
Gym	22,161	17,188	(9,120)	-	-	30,229
Other educational activities	-	243,908	(243,908)	-	-	-
	655,999	5,388,757	(5,434,032)	(20,921)	-	589,803
Pension reserve	(1,306,000)	-	(95,000)	-	345,000	(1,056,000)
	(650,001)	5,388,757	(5,529,032)	(20,921)	345,000	(466,197)
Restricted fixed asset funds						
Fixed asset fund	8,641,741	-	(246,176)	41,965	-	8,437,530
DfE Group capital grants (DFC)	-	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
	9,194,361	2,292,311	(1,689,434)	20,921	-	9,818,159
Total restricted funds	8,544,360	7,681,068	(7,218,466)	-	345,000	9,351,962
Total unrestricted funds	602,005	95,115	(5,010)	-	-	692,110
Total funds	9,146,365	7,776,183	(7,223,476)	-	345,000	10,044,072

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

18 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,220,653	8,220,653
Current assets	781,427	677,912	-	237,204	1,696,543
Current liabilities	-	(352,705)	-	-	(352,705)
Non-current liabilities	-	(33,512)	-	-	(33,512)
Pension scheme liability	-	-	(1,884,000)	-	(1,884,000)
Total net assets	781,427	291,695	(1,884,000)	8,457,857	7,646,979

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,437,530	8,437,530
Current assets	692,110	1,840,309	-	1,380,629	3,913,048
Current liabilities	-	(1,212,095)	-	-	(1,212,095)
Non-current liabilities	-	(38,411)	-	-	(38,411)
Pension scheme liability	-	-	(1,056,000)	-	(1,056,000)
Total net assets	692,110	589,803	(1,056,000)	9,818,159	10,044,072

19 Capital commitments

	2018/19	2017/18
	£	£
Contracted for, but not provided in the financial statements	164,630	1,408,977

20 Commitments under operating leases

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

	2018/19	2017/18
	£	£
Amounts due within one year	4,430	5,539
Amounts due between one and five years	5,824	5,755
	10,254	11,294

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018/19	2017/18
	£	£
Net (expenditure) / income for the reporting period	(1,754,093)	552,707
Adjusted for:		
Depreciation	211,246	236,689
(Gain)/loss on disposal of fixed assets	12,138	9,487
Defined benefit pension scheme cost less contributions payable	158,000	65,000
Defined benefit pension scheme finance cost	27,000	30,000
Decrease in stocks	819	619
Decrease / (increase) in debtors	1,505,201	(1,273,687)
(Decrease) / increase in creditors	(864,289)	683,433
Net cash (used in) / provided by Operating Activities	<u>(703,978)</u>	<u>304,248</u>

22 Cash flows from investing activities

	2018/19	2017/18
	£	£
(Increase) / decrease in current asset investments	(251,696)	298,622
Purchase of tangible fixed assets	(6,507)	(41,965)
Net cash (used in) / provided by investing activities	<u>(258,203)</u>	<u>256,657</u>

23 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	<u>971,793</u>	<u>1,933,974</u>

24 Members liability

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

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are multi-employer defined benefit 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 £68,518 were payable to the schemes at 31 August 2019 (2018: £64,587) and are included within creditors.

Teachers' Pension Scheme

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

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations (continued)

Scheme changes

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

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

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

The employer's pension costs paid to TPS in the period amounted to £397,195 (2018: £394,255).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

	2019	2018
	£	£
Employer's contributions	177,000	154,000
Employees' contributions	46,000	43,000
	<u>223,000</u>	<u>197,000</u>

The agreed contribution rates for future years are 16.1% for employers (increasing to 18.9% from 1 April 2020) and 5.5% to 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	2019	2018
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate +0.1%	(110,000)	(84,000)
Discount rate -0.1%	113,000	86,000
Mortality assumption – 1 year increase	167,000	106,000
Mortality assumption – 1 year decrease	(165,000)	(106,000)

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

	2019	2018
	£	£
Equities	1,844,000	1,733,000
Property	221,000	187,000
Government bonds	631,000	621,000
Corporate bonds	-	33,000
Cash	58,000	62,000
Other	309,000	76,000
Total market value of assets	3,063,000	2,712,000

The actual return on scheme assets was £168,000 (2018: £178,000).

Noadswood School

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	224,000	219,000
Past service cost	111,000	-
Interest income	(79,000)	(62,000)
Interest cost	106,000	92,000
Total amount recognised in the SOFA	<u>362,000</u>	<u>249,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

	2018/19	2017/18
	£	£
At 1 September	3,768,000	3,692,000
Current service cost	224,000	219,000
Interest cost	106,000	92,000
Employee contributions	46,000	43,000
Actuarial loss / (gain)	732,000	(229,000)
Benefits paid	(40,000)	(49,000)
Past service cost	111,000	-
At 31 August	<u>4,947,000</u>	<u>3,768,000</u>

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

	2018/19	2017/18
	£	£
At 1 September	2,712,000	2,386,000
Interest income	79,000	62,000
Actuarial gain	89,000	116,000
Employer contributions	177,000	154,000
Employee contributions	46,000	43,000
Benefits paid	(40,000)	(49,000)
At 31 August	<u>3,063,000</u>	<u>2,712,000</u>

26 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.