

**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



**Whittingham Riddell**

*chartered accountants*

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Members**

Mrs K Foster (appointed 27 November 2017)  
Mr E Lewis (Chair)  
Mrs R Garner

**Governors**

Mr A J Brown, Community Governor (appointed 18 September 2018)<sup>1</sup>  
Dr M Deahl, Community Governor and Vice Chair<sup>1</sup>  
Mrs P Dower, Community Governor (appointed 19 March 2018)  
Mrs J Doyle, Parent Governor (appointed 19 March 2018)  
Mrs R Garner, Headteacher and Accounting Officer (resigned 31 December 2017)<sup>1</sup>  
Mrs J Harris, Community Governor<sup>1</sup>  
Mr S Hennessey, Staff Governor<sup>1</sup>  
Mrs H J Hogan, Parent Governor (resigned 9 January 2018)  
Mr E Lewis (Chair), Community Governor<sup>1</sup>  
Mrs J Macpherson, Parent Governor  
Mrs S Mahy, Parent Governor (appointed 19 March 2018)  
Mrs K L Moore, Staff Governor (resigned 31 December 2017)<sup>1</sup>  
Mrs C Rodrigues, Parent Governor (appointed 19 March 2018)  
Mr M J Scott, Headteacher and Accounting Officer (appointed 1 January 2018)  
Mrs A Seys, Staff Governor  
Mr M Turner, Parent Governor<sup>1</sup>

<sup>1</sup> members of The Finance Committee

**Company registered number**

07521640

**Company name**

Newport Girls' High School Academy Trust

**Principal and registered office**

Newport High School, Wellington Road, Newport, Shropshire, TF10 7HL

**Company secretary**

Rev S Walters

**Senior management team**

Mrs R Garner, Headteacher (resigned 31/12/17)  
Mr M J Scott, Headteacher (appointed 1/1/18)  
Reverend Stephen Walters, Deputy head  
Miss A Davies, Lead practitioner for teaching and learning

**Independent auditors**

Whittingham Riddell, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

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

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**Advisers (continued)**

**Bankers**

HSBC Bank, 33 High Street, Shrewsbury, Shropshire, SY1 1SL

Lloyds Bank, 95 High Street, Newport, Shropshire, TF10 7AZ

**Solicitors**

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

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors present their Annual Report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

**Structure, governance and management**

**a. Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity and was set up by a Memorandum of Association on 31 January 2011. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors act as the Trustees for the charitable activities of Newport Girls' High School Academy Trust Limited and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company was incorporated in England & Wales and is known as Newport Girls' High School (the "School").

Details of the Governors who served during the reporting period are included in the Reference and administrative details on page 1.

**b. 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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

**c. Governors' indemnities**

As part of its insurance cover, the Trust has purchased Governors' liability insurance.

**d. Method of recruitment and appointment or election of Governors**

The Trust has the following governing structure prescribed by its Articles of Association:

- Up to 1 Governor, appointed by the Members of the Trust;
- Up to 1 LA Governor, appointed by Telford & Wrekin Council;
- Up to 5 Parent Governors, elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time of the election;
- Up to 3 Staff Governors, appointed by the Governing Body;
- Up to 6 Community Governors, appointed by the Governing Body and being people who live or work in the community served by the Trust or are committed to the government and success of the Trust; and
- The Headteacher.

**e. Policies and procedures adopted for the induction and training of Governors**

The Trust provides access for Governors to suitable training and ensures that any new Governors are familiarised with the work and procedures of the Trust, so that they can play a full role on the Governing Body. Governors are provided with access to the Trust's reports, budgets and plans so that they have the information necessary to carry out their duties, and are encouraged to meet with staff, students and parents. Where necessary, training will be provided on charity, educational, legal and financial matters.

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

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**f. Organisational structure**

The Trust is governed by its Board of Governors which meets once a term. The Board delegates the day to day running of the Trust to the Headteacher who is also the Accounting Officer and leads the Senior Management Team.

**g. Pay policy for key management personnel**

Arrangements for setting the pay and remuneration of key management personnel adhere to the Local Authority Pay policy. The salary forecast for all personnel is presented to Governors during the Summer Term where this is agreed as part of the Academy's Budget Setting process for the following academic year.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

	£	
Total cost of facility time	-	
Total pay bill	1,989,257	
Percentage of total pay bill spent on facility time	-	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	1	%
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**i. Connected organisations, including related party relationships**

Owing to the nature of the Trust's operations and the composition of the Board of Governors being drawn from local private sector organisations, transactions may take place with organisations in which a Governor has an interest. Any transactions involving such organisations would be conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The Friends of Newport Girls' High School is a connected charity receiving parental donations monthly. The charity then makes donations to the School to support School activities, mini bus expenses and School equipment. Donations received for the year ended 31st August 2018 amounted to approximately £9,066 to support new build costs, and part funding towards new building furniture.

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

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**Objectives and Activities**

**a. Objects and aims**

The Trust's object is specifically restricted to advance, for the public benefit, education in the United Kingdom. In particular, but without prejudice, to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a School offering a broad and balanced curriculum.

**b. Objectives, strategies and activities**

The aims of the Trust can be summarised as enabling each pupil to seek excellence in all aspects of life, providing a community in which:

**Pupils achieve their full potential in academic, aesthetic and sporting spheres:**

- Enjoy a balanced and challenging curriculum
- Receive regular and meaningful assessment and opportunities for self assessment
- Develop an awareness of the relationship between their learning and the world outside the classroom, and see education as a life-long process

**Pupils develop personal values which enable participation in a caring society:**

- Develop integrity, self-discipline and honesty
- Develop self-esteem whilst retaining a sensitivity towards the needs of others
- Develop independence and initiative
- Develop self-confidence
- Accept responsibility for their own actions
- Develop a sense of commitment, determination and the perseverance to achieve set objectives
- Develop spiritual and moral values

**Pupils learn to recognise their responsibilities in the local, national, international and global environments:**

- Develop an awareness of their role as citizens
- Develop open-minded attitudes
- Work towards an understanding of the values and cultures of others
- Learn to value others regardless of class, physical ability, linguistic or religious background, and
- Develop an awareness of the interdependence of individuals, groups and nations within a global context

**c. Public benefit**

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

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

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**Achievements and performance**

**Strategic report**

**a. Key performance indicators**

Financial performance of the Trust is measured using a series of control and monitoring systems and procedures including:

- Budget Monitoring and Variance Analysis
- Termly External Extended Audits
- Financial Procedures Manual
- Benchmarking Activities
- Examination Results
- Pupil Numbers
- Pupil Attendance
- Staff Profile

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 Accounting Policies.

**c. Review of activities**

Examination results for the 2017/2018 academic year were outstanding and the School continues to be one of the top performing schools in the country.

A summary of the results is as follows:

**YR 13 - A Level**

- A\* grades were attained in 11 subjects with proportion of A\* grades being 11.9%
- 33.8% of entries were A\* or A grades with six subjects achieving 45% or more A\*/A grades.
- 61.5% of entries were A\* to B grades with seven subject achieving 70% or more A\* to B grades.
- 85.2% of entries were A\* to C grades with ten subjects achieving 90% or more A\* to C grades.
- Average grade was B
- Progress/value added – likely to be around 0.3
- Note if EPQ not scaled then A\*A is 37.3, A\*B is 65.2% and A\*C is 87.5%

**YR 11 - GCSE**

- 72.8% of GCSE/Level 2 results were the new 9-7 grades or A\* and A grades.
- 1 student attained all 9s of A\* grades. 12 out of 82 students achieved all A\*s or 9/8 grades and 24 students achieved A\* and A/9-7 in every subject they studied.
- There were 16 grade 9s in English Language, 20 in English Literature and 23 in Mathematics.
- The highest proportions of Grade 9s were in Geography(35.2%). Physics (30.5%), Maths (28.0%) and English Language (24.4%)
- In English 46.3% achieved levels 8 or 9 whilst in mathematics the standard was even higher 64.6%



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

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- In Mathematics 90.2% of students achieved the top levels 7-9 and 28 of these students obtained an A, A\* or A (distinction) in Additional Mathematics.
- In other subjects the highest proportions of Grade 8s or 9s were in Geography (57.4%), Physics (54.9%), Biology (50.0%) and English Language(47.5%)
- There was a 98.6% pass rate for students who took the Ebacc subjects were successful meaning 87% of the cohort achieved the Ebacc.
- 89.6% of all entries resulted in a grade B/6 or higher
- Average grade was A+
- Progress 8 likely to be around 0.4

**d. Investment policy and performance**

As stated in the Trust's Articles of Association, Governors have the power to invest in the name of the Trust such part of the funds as they may see fit. The Trust currently holds its cash balances at its bank and has no plans to change this policy in the near future.

**Financial review**

**a. Reserves policy**

In general, the Trust expects to spend its annual income on the provision of education for its pupils and does not expect to accumulate significant additional reserves. Governors will, however, be reviewing the financial position of the Trust and will determine the use of any expected reserves, above a prudent level for contingencies, in the context of this review.

Total reserves at 31 August 2018 amounted to £8,347,644 (2017 £8,046,981). The pension reserve is a deficit balance of £593,000 (2017: deficit £696,000). If this is excluded, restricted reserves are £8,837,410 (2017:£8,639,747).

£67,000 of the designated fund brought forward fund of £105,000 has been released to cover contingencies on the new build.

**b. Principal risks and uncertainties**

The Governors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas, (e.g. in relation to teaching, health and safety, buildings and School trips) and in relation to the control of finance. They have introduced systems, including operational procedures, (e.g. vetting of new staff and visitors, supervision of School grounds) and internal financial controls in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**c. Financial review**

The Trust made an operational deficit of £40,485 before accounting for the CIF grant, donations, pension adjustments and depreciation (2017: operational surplus of £52,679).

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

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**Fundraising**

The Trust has received and continues to receive fundraising donations from parents and stakeholders connected with Newport Girls' High School.

During 2015, the Trustees of Newport Girls' High School actioned a feasibility study with an external provider to assist with a fundraising scheme to support a new Sixth Form Centre for students.

Parents and school employees were appointed and provided with training to assist the fundraising campaign programme. Through collaboration with parents and stakeholders, campaign fundraising gifts have been received since May 2015 and committed income is due until August 2021. The new Sixth Form Centre was handed over by the contractor on 9th February 2018.

The new Sixth Form Centre was part funded by fundraising donations namely (school client contribution), ESFA Condition Improvement Funding Grant, and CIF loan. Without the continued support of parents, stakeholders and ESFA funding the new build would not have been possible.

**Plans for future periods**

**a. Future developments**

The Trust plans to continue to review its educational and financial procedures and structures, so that current high levels of educational achievement can be maintained and enhanced, whilst continuing to operate prudently within available financial resources. The Trust also continues to review development of accommodation and facilities in order to cater for future expansion of the School.

**Disclosure of information to auditors**

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

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

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2018 and signed on its behalf by:



**Mr E Lewis (Chair), Community Governor**  
**Chair of Governors**

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Newport Girls' High School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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 Newport Girls' High School Academy Trust 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 Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr A J Brown, Community Governor	5	5
Dr M Deahl, Community Governor and Vice Chair	2	5
Mrs P Dower, Community Governor	2	2
Mrs J Doyle, Parent Governor	2	2
Mrs R Garner, Headteacher and Accounting Officer	3	3
Mrs J Harris, Community Governor	5	5
Mr S Hennessey, Staff Governor	5	5
Mrs H J Hogan, Parent Governor	0	3
Mr E Lewis (Chair), Community Governor	5	5
Mrs J Macpherson, Parent Governor	5	5
Mrs S Mahy, Parent Governor	2	2
Mrs K L Moore, Staff Governor	2	2
Mrs C Rodrigues, Parent Governor	2	2
Mr M J Scott, Headteacher and Accounting Officer	2	2
Mrs A Seys, Staff Governor	4	5
Mr M Turner, Parent Governor	3	3

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**GOVERNANCE STATEMENT (continued)**

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The Finance Committee is a subcommittee of the main Governing Body. Its purpose is to monitor the Trust's budget position and systems of financial control.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr A Brown, (Chair of Finance) Community Governor	3	3
Mrs J Doyle, Parent Governor	0	1
Mrs R Garner, Headteacher and Accounting Officer	1	1
Mrs J Harris, Community Governor	3	3
Mr S Hennessey, Staff Governor	3	3
Mr E Lewis (Chair), Community Governor	2	3
Mrs S Mahy, Parent Governor	1	1
Mrs K L Moore, Staff Governor	1	1
Mr M J Scott, Headteacher and Accounting Officer	2	2
Mr M Turner, Parent Governor	1	2

**Review of Value for Money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- In house monitoring by the Leadership Group and middle managers
- Line Management meetings
- Annual Performance Management
- Annual Budget Planning
- Governors' regular financial review
- Audit reports
- Independent External Audit Checks
- Analysis of student performance data
- Analysis of DfE student performance data eg. RAISEonline
- OfSTED inspection reports
- Minutes of Full Governing Body and Governors' Committees

**The Purpose of the System of Internal Control**

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

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

The 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 Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Whittingham Riddell, the external auditors, to perform additional checks.

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

- Reviewing the operations of the systems of controls;
- Review of procedures in place; and
- Reporting on their findings
  - testing of payroll systems;
  - testing of purchase systems;
  - testing of accounting procedures including bank reconciliations;
  - testing of income;
  - testing of items requiring special approval;
  - testing of tendering activities; and
  - testing of asset maintenance; and
  - testing of management reporting controls.

On a termly basis, the auditors report to the board of trustees through the Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

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

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

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

Leasehold property	-	125 years
Furniture and fixtures	-	5-15 years

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.

Upon conversion to academy status the Trust entered into a long term lease agreement with the Local Authority to occupy the school site over 125 years at nil rental charge

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Operating leases**

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

**1.7 Debtors**

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

**1.8 Cash at Bank and in hand**

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

**1.9 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 12. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.11 Taxation**

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

**1.12 Pensions**

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

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

The LGPS is a funded scheme and the assets are held separately from those of the 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.



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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

**1.14 Critical accounting estimates and areas of judgment**

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

*Critical accounting estimates and assumptions:*

The Trust 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.

**Critical areas of judgment:**

**Assumptions used in Pension Valuation**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Long term Leasehold Property**

The Trust's land and buildings were brought in on conversion based on a valuation of £6,553,040. This balance is being written off over the 125 year life of the lease.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted funds - fixed asset 2018 £	Total funds 2018 £	Total funds 2017 £
Other Donations	-	-	-	-	34,235
Campaign Donations	-	-	152,138	152,138	75,110
Grants	-	-	173,765	173,765	1,278,512
	-	-	<b>325,903</b>	<b>325,903</b>	1,387,857
<i>Total 2017</i>	<u>34,235</u>	<u>75,110</u>	<u>1,278,512</u>	<u>1,387,857</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,366,706	2,366,706	2,224,204
Other DfE/ESFA grants	-	24,196	24,196	23,568
	-	<b>2,390,902</b>	<b>2,390,902</b>	2,247,772
<b>Other government grants</b>				
Local authority income	-	4,427	4,427	4,876
	-	<b>4,427</b>	<b>4,427</b>	4,876
<b>Other funding</b>				
School Fund Income	-	335,019	335,019	233,841
Other Income	-	2,687	2,687	1,000
	-	<b>337,706</b>	<b>337,706</b>	234,841
	-	<b>2,733,035</b>	<b>2,733,035</b>	2,487,489
<i>Total 2017</i>	-	<u>2,487,489</u>	<u>2,487,489</u>	

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**4. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on Raising Voluntary Income	-	-	-	-	29,492
Academy's Educational Operations:					
Direct costs	1,658,467	-	680,625	2,339,092	2,031,998
Support costs	330,790	153,263	94,130	578,183	507,736
	<u>1,989,257</u>	<u>153,263</u>	<u>774,755</u>	<u>2,917,275</u>	<u>2,569,226</u>
<i>Total 2017</i>	<u>1,903,690</u>	<u>185,735</u>	<u>479,801</u>	<u>2,569,226</u>	

**5. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Academy's Educational Operations	2,339,092	578,183	2,917,275	2,539,734
<i>Total 2017</i>	<u>2,031,998</u>	<u>507,736</u>	<u>2,539,734</u>	

**Analysis of direct costs**

	Academy's Educational Ope £	Total 2018 £	Total 2017 £
Educational Supplies	475,870	475,870	234,591
Examination Fees	57,284	57,284	56,284
Staff Development	3,897	3,897	3,787
Other Direct Costs	55,372	55,372	41,252
Security & Transport	447	447	749
Wages and salaries	1,318,469	1,318,469	1,279,894
National insurance	131,490	131,490	127,454
Pension cost	208,508	208,508	206,571
Depreciation	87,755	87,755	81,416
	<u>2,339,092</u>	<u>2,339,092</u>	<u>2,031,998</u>
<i>At 31 August 2017</i>	<u>2,031,998</u>	<u>2,031,998</u>	

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**5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of support costs**

	<b>Academy's Educational Open £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Pension income	17,000	17,000	15,000
Staff costs	330,790	330,790	289,771
Support Staff Costs	6,411	6,411	8,683
Recruitment & Support	3,372	3,372	11,316
Maintenance	94,902	94,902	71,622
Cleaning	58,361	58,361	49,613
Rent & Rates	13,200	13,200	13,489
Insurance	16,751	16,751	14,029
Security & Transport	5,340	5,340	1,983
Bank Interest & Charges	1,018	1,018	727
Other Support Costs	15,265	15,265	8,646
Governance	15,773	15,773	22,857
	<u>578,183</u>	<u>578,183</u>	<u>507,736</u>
<i>At 31 August 2017</i>	<u>507,736</u>	<u>507,736</u>	

**6. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018 £</b>	<i>2017 £</i>
Depreciation of tangible fixed assets: - owned by the charity	<b>87,755</b>	<i>81,416</i>
Auditors' remuneration - audit	<b>3,700</b>	<i>3,150</i>
Auditors' remuneration - other services	<b>5,800</b>	<i>5,050</i>
	<u>97,255</u>	<u>90,616</u>

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**7. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,472,128	1,430,568
Social security costs	150,093	144,025
Operating costs of defined benefit pension schemes	334,685	323,966
	1,956,906	1,898,559
Agency staff costs	22,851	4,457
Staff restructuring costs	9,500	674
	1,989,257	1,903,690

Staff restructuring costs comprise:

Severance payments	9,500	674
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Included in staff restructuring cost is a severance payment paid to one employee totalling £9,500 (2017: £674)

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	32	32
Administration and support	18	18
Management	2	3
	52	53

**c. Higher paid staff**

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

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

**d. Key management personnel**

The key management personnel of the Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £219,506 (2017: £230,400).

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**8. GOVERNORS' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
Mrs R Garner, Headteacher and Accounting Officer (resigned 31/12/17)	Remuneration	25,000-30,000	80,000-85,000
	Pension contributions paid	0-5,000	10,000-15,000
Mr S Hennessey, Staff Governor	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs A Seys, Staff Governor	Remuneration	35,000-40,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs K L Moore, Staff Governor (resigned 31/12/17)	Remuneration	10,000-15,000	30,000-35,000
	Pension contributions paid	0-5,000	0-5,000
Mr M J Scott, Headteacher and Accounting Officer (appointed 1/1/18)	Remuneration	50,000-55,000	0
	Pension contributions paid	5,000-10,000	0

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

**9. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £150 (2017 - £123). The cost of this insurance is included in the total insurance cost.

**10. OTHER FINANCE INCOME**

	2018 £	2017 £
Interest income on pension scheme assets	17,000	12,000
Interest on pension scheme liabilities	(34,000)	(27,000)
	<u>(17,000)</u>	<u>(15,000)</u>

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**11. TANGIBLE FIXED ASSETS**

	Assets in the course of construction £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
<b>Cost</b>					
At 1 September 2017	-	7,999,721	20,893	150,788	410,841
Additions	50,069	973,242	-	62,818	30,183
At 31 August 2018	<u>50,069</u>	<u>8,972,963</u>	<u>20,893</u>	<u>213,606</u>	<u>441,024</u>
<b>Depreciation</b>					
At 1 September 2017	-	296,224	20,893	75,808	409,459
Charge for the year	-	64,470	-	20,786	2,499
At 31 August 2018	<u>-</u>	<u>360,694</u>	<u>20,893</u>	<u>96,594</u>	<u>411,958</u>
<b>Net book value</b>					
At 31 August 2018	<u>50,069</u>	<u>8,612,269</u>	<u>-</u>	<u>117,012</u>	<u>29,066</u>
At 31 August 2017	<u>-</u>	<u>7,703,497</u>	<u>-</u>	<u>74,980</u>	<u>1,382</u>
				<b>Total</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2017				8,582,243	
Additions				1,116,312	
At 31 August 2018				<u>9,698,555</u>	
<b>Depreciation</b>					
At 1 September 2017				802,384	
Charge for the year				87,755	
At 31 August 2018				<u>890,139</u>	
<b>Net book value</b>					
At 31 August 2018				<u>8,808,416</u>	
At 31 August 2017				<u>7,779,859</u>	

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**12. DEBTORS**

	2018 £	2017 £
Other debtors	19,626	135,552
Prepayments and accrued income	119,309	101,370
	138,935	236,922

**13. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Other loans	44,959	12,437
Trade creditors	28,208	1
Other taxation and social security	69,379	67,755
Accruals and deferred income	56,934	258,929
	199,480	339,122

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	47,084	47,361
Resources deferred during the year	49,135	47,084
Amounts released from previous years	(47,084)	(47,361)
	49,135	47,084

At the balance sheet date the Trust was holding funds received in advance for school fund income, pupil premium and 16-19 bursary for activity in the 2018/2019 year.

**14. CREDITORS: Amounts falling due after more than one year**

	2018 £	2017 £
Other loans	162,355	186,547
	162,355	186,547

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

	2018 £	2017 £
Repayable by instalments	21,649	48,965
	21,649	48,965

Included within other loans are two interest free salix loans totalling £39,412. The loans are repayable by instalments over an 8 year period.



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**15. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
Contingencies on new build	105,000	-	-	(67,000)	-	38,000
<b>General funds</b>						
General Funds - all funds	(1,766)	-	-	1,766	-	-
Total Unrestricted funds	103,234	-	-	(65,234)	-	38,000
<b>Restricted funds</b>						
General Annual Grant (GAG)	341,814	2,733,035	(2,773,520)	(207,101)	-	94,228
Voluntary Income	99,455	-	-	(99,455)	-	-
Pension reserve	(696,000)	-	(56,000)	-	159,000	(593,000)
	(254,731)	2,733,035	(2,829,520)	(306,556)	159,000	(498,772)
<b>Restricted funds - Fixed Asset</b>						
Restricted Fixed Asset Funds - all funds	8,198,478	325,903	(87,755)	371,790	-	8,808,416
Total restricted funds	7,943,747	3,058,938	(2,917,275)	65,234	159,000	8,309,644
Total of funds	8,046,981	3,058,938	(2,917,275)	-	159,000	8,347,644

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

**Designated funds**

Designated funds were for contingencies on the new build. The fund has been released in full this year.

**Restricted funds**

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 funds include the School Fund Current Account - Receipts and payments for trips.

**Voluntary Income**

Voluntary income includes the income received in relation to the Appeal and will be used to pay the retention due in relation to the new build and windows in the next financial year.

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**15. STATEMENT OF FUNDS (continued)**

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>Designated funds</b>						
Contingencies on new build	20,000	34,235	-	50,765	-	105,000
	<u>20,000</u>	<u>34,235</u>	<u>-</u>	<u>50,765</u>	<u>-</u>	<u>105,000</u>
<b>General funds</b>						
Unrestricted funds	49,000	-	-	(50,765)	-	(1,765)
Total Unrestricted funds	<u>69,000</u>	<u>34,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,235</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	214,025	2,562,599	(2,434,810)	-	-	341,814
Voluntary Income	99,455	-	-	-	-	99,455
Pension reserve	(760,000)	-	(53,000)	-	117,000	(696,000)
	<u>(446,520)</u>	<u>2,562,599</u>	<u>(2,487,810)</u>	<u>-</u>	<u>117,000</u>	<u>(254,731)</u>
<b>Restricted funds - Fixed Asset</b>						
Restricted Fixed Asset Funds - all funds	7,001,382	1,278,512	(81,416)	-	-	8,198,478
Total of funds	<u><u>6,623,862</u></u>	<u><u>3,875,346</u></u>	<u><u>(2,569,226)</u></u>	<u><u>-</u></u>	<u><u>117,000</u></u>	<u><u>8,046,982</u></u>

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**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted funds - fixed asset 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,808,416	8,808,416
Current assets	38,000	456,065	-	494,065
Creditors due within one year	-	(199,482)	-	(199,482)
Creditors due in more than one year	-	(162,355)	-	(162,355)
Provisions for liabilities and charges	-	(593,000)	-	(593,000)
	<u>38,000</u>	<u>(498,772)</u>	<u>8,808,416</u>	<u>8,347,644</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted funds - fixed asset 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	7,779,859	7,779,859
Current assets	103,235	966,938	418,618	1,488,791
Creditors due within one year	-	(339,122)	-	(339,122)
Creditors due in more than one year	-	(186,547)	-	(186,547)
Provisions for liabilities and charges	-	(696,000)	-	(696,000)
	<u>103,235</u>	<u>(254,731)</u>	<u>8,198,477</u>	<u>8,046,981</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	141,663	1,306,120
<b>Adjustment for:</b>		
Depreciation charges	87,755	81,416
Decrease/(increase) in debtors	97,987	(39,088)
(Decrease)/increase in creditors	(163,834)	364,821
FRS102 pension adjustment	56,000	53,000
<b>Net cash provided by operating activities</b>	<u>219,571</u>	<u>1,766,269</u>

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

	2018 £	2017 £
Cash in hand	355,128	1,251,869
Total	<u>355,128</u>	<u>1,251,869</u>

**19. CAPITAL COMMITMENTS**

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

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	1,097,732

Capital commitments in the prior year included amounts contracted in respect of the new build.

**20. PENSION COMMITMENTS**

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

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

Contributions amounting to £31,099 were payable to the schemes at 31 August 2018 (2017 - 30,467) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £200,727 (2017 - £195,694).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £73,190 (2017 - £69,233), of which employer's contributions totalled £56,000 (2017 - £53,000) and employees' contributions totalled £17,190 (2017 - £16,233). The agreed contribution rates for future years are 20% for employers and 5.5-12.5% for employees.

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

**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**20. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	23.1	23
Females	26.3	26.2
Retiring in 20 years		
Males	25.3	25.2
Females	28.6	28.5

	At 31 August 2018 £'000	At 31 August 2017 £'000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	565	667
Mortality assumption - 1 year increase	617	720
CPI rate +0.1%	622	725
Pay Growth +0.1%	601	705

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	391,000	339,000
Corporate bonds	171,000	156,000
Property	38,000	32,000
Cash	18,000	31,000
Other	150,000	105,000
<b>Total market value of assets</b>	<b>768,000</b>	<b>663,000</b>

The actual return on scheme assets was £38,000 (2017 - £77,000).

**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(93,000)	(89,000)
Interest income	17,000	12,000
Interest cost	(34,000)	(27,000)
Admin expenses	(2,000)	(2,000)
	<u>                    </u>	<u>                    </u>
Total	<u><u>(112,000)</u></u>	<u><u>(106,000)</u></u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,359,000	1,279,000
Current service cost	93,000	89,000
Interest cost	34,000	27,000
Employee contributions	17,000	16,000
Actuarial gains	(137,000)	(47,000)
Benefits paid	(5,000)	(5,000)
	<u>                    </u>	<u>                    </u>
Closing defined benefit obligation	<u><u>1,361,000</u></u>	<u><u>1,359,000</u></u>

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

	2018 £	2017 £
Opening fair value of scheme assets	663,000	519,000
Interest income	17,000	12,000
Actuarial losses	22,000	70,000
Employer contributions	56,000	53,000
Employee contributions	17,000	16,000
Benefits paid	(5,000)	(5,000)
Administration expenses	(2,000)	(2,000)
	<u>                    </u>	<u>                    </u>
Closing fair value of scheme assets	<u><u>768,000</u></u>	<u><u>663,000</u></u>

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**21. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	8,151	10,727
Between 1 and 5 years	29,451	17,178
Total	<u>37,602</u>	<u>27,905</u>

**22. 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.

**23. 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 8.



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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**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 external auditors;
- the work of the executive managers within the 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 auditors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 10 December 2018 and signed on their behalf, by:

**Mr E Lewis (Chair), Community Governor**

**Mr M J Scott, Headteacher and Accounting Officer**

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Newport Girls' High School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**Mr M J Scott, Headteacher and Accounting Officer**

Date: 10 December 2018

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

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

The Governors 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 Governors 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 Governors 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 10 December 2018 and signed on its behalf by:



**Mr E Lewis (Chair), Community Governor**

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of Newport Girls' High School Academy Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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.

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

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

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

**Responsibilities of trustees**

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

In preparing the financial statements, the Governors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**

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basis of accounting unless the Governors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

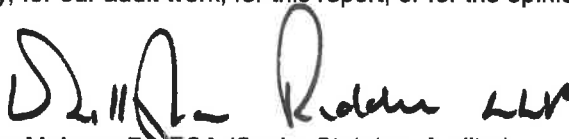
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



Andrew Malpass BA FCA (Senior Statutory Auditor)

for and on behalf of

**Whittingham Riddell**

Chartered Accountants  
Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date: 13 December 2018

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 6 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newport Girls' High School Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Newport Girls' High School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Newport Girls' High School Academy Trust 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 Newport Girls' High School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Newport Girls' High School Academy Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Newport Girls' High School Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**  
(continued)

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**Conclusion**

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



Andrew Malpass BA FCA (Senior Statutory Auditor)

**Whittingham Riddell**

Chartered Accountants  
Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date: 13 December 2018



**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted funds - fixed asset 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	325,903	325,903	1,387,857
Charitable activities	3	-	2,733,035	-	2,733,035	2,487,489
<b>TOTAL INCOME</b>		<b>-</b>	<b>2,733,035</b>	<b>325,903</b>	<b>3,058,938</b>	<b>3,875,346</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	29,492
Charitable activities		-	2,829,520	87,755	2,917,275	2,539,734
<b>TOTAL EXPENDITURE</b>	4	<b>-</b>	<b>2,829,520</b>	<b>87,755</b>	<b>2,917,275</b>	<b>2,569,226</b>
<b>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	15	(65,234)	(96,485) (306,556)	238,148 371,790	141,663 -	1,306,120 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(65,234)	(403,041)	609,938	141,663	1,306,120
Actuarial gains on defined benefit pension schemes	20	-	159,000	-	159,000	117,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(65,234)</b>	<b>(244,041)</b>	<b>609,938</b>	<b>300,663</b>	<b>1,423,120</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		103,234	(254,731)	8,198,478	8,046,981	6,623,861
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>38,000</b>	<b>(498,772)</b>	<b>8,808,416</b>	<b>8,347,644</b>	<b>8,046,981</b>

The notes on pages 24 to 44 form part of these financial statements.

**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07521640**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	11		8,808,416		7,779,859
<b>CURRENT ASSETS</b>					
Debtors	12	138,935		236,922	
Cash at bank and in hand		355,128		1,251,869	
		<u>494,063</u>		<u>1,488,791</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(199,480)</u>		<u>(339,122)</u>	
<b>NET CURRENT ASSETS</b>			<u>294,583</u>		<u>1,149,669</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,102,999</u>		<u>8,929,528</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>(162,355)</u>		<u>(186,547)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>8,940,644</u>		<u>8,742,981</u>
Defined benefit pension scheme liability	20		<u>(593,000)</u>		<u>(696,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>8,347,644</u>		<u>8,046,981</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	94,228		441,269	
Restricted funds - fixed asset	15	8,808,416		8,198,478	
Restricted income funds excluding pension liability		<u>8,902,644</u>		<u>8,639,747</u>	
Pension reserve		<u>(593,000)</u>		<u>(696,000)</u>	
Total restricted income funds			<u>8,309,644</u>		<u>7,943,747</u>
Unrestricted income funds	15		<u>38,000</u>		<u>103,234</u>
<b>TOTAL FUNDS</b>			<u>8,347,644</u>		<u>8,046,981</u>

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 20 to 44 were approved by the Governors, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:



**Mr E Lewis (Chair), Community Governor**  
**Chair of Trustees**

The notes on pages 24 to 44 form part of these financial statements.

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<u>219,571</u>	<u>1,766,269</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(1,116,312)</u>	<u>(1,451,827)</u>
<b>Net cash used in investing activities</b>		<u>(1,116,312)</u>	<u>(1,451,827)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(896,741)</b>	<b>314,442</b>
Cash and cash equivalents brought forward		<u>1,251,869</u>	<u>937,427</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>355,128</u></u>	<u><u>1,251,869</u></u>

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

Newport Girls' High School Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Governors 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 Trust to continue as a going concern. The Governors 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.

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**NEWPORT GIRLS' HIGH SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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