

**NEWLANDS GIRLS' SCHOOL**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**NEWLANDS GIRLS' SCHOOL****(A company limited by guarantee)**

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**NEWLANDS GIRLS' SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Members**

Mrs P Fawcett  
Mr R Hinchliffe  
Mrs D Mair  
Mr J Simpson  
Mr S Bridge

**Trustees**

Mrs L Allaway  
Mr S Bridge  
Mr H Buckle  
Dr L Ceska  
Ms S Gondal  
Dr C Jones  
Mr B Leach  
Mr T Mahmood  
Mr P Manby  
Mr P McMaster  
Mrs C Mulvihill  
Mr K Pannu  
Mr R Preece  
Ms F Sheikh  
Mrs S Carroll (Appointed 11<sup>th</sup> February 2019)  
Mrs L Swanson (Appointed 11<sup>th</sup> February 2019)  
Ms C Vincent  
Mrs H Wheeler

**Senior Management Team**

Dr L Ceska	Headteacher
Mr M Henshaw	Deputy Headteacher
Miss J Capon	Deputy Headteacher (Appointed 1 <sup>st</sup> September 2018)
Mr J O'Connell	Assistant Headteacher
Mrs H Walker	Assistant Headteacher
Mrs G Walton	Assistant Headteacher
Mrs L Allaway	Assistant Headteacher
Mrs R Lawson	Bursar
Mrs S Nuttycombe	Assistant Headteacher

**Company Name**

Newlands Girls' School

**Principal and Registered Office**

Farm Road, Maidenhead, Berkshire, SL6 5JB

**Company Registered Number**

09683579 (England & Wales)

**Independent Auditor**

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Bankers**

Lloyds Bank PLC, 25 Gresham Street, London, EC2V 7HN.

**Solicitors**

Shared Legal Solutions, Shute End, Wokingham, Berkshire, RG40 1WH

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1<sup>st</sup> September 2018 to 31<sup>st</sup> 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 19 serving a catchment area in Maidenhead. It has a pupil capacity of 1200 and had a roll of 1158 in the school census on 4<sup>th</sup> October 2018.

## **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 Newlands Girls' School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Newlands Girls' School.

### **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 the Academy having bought into the Risk Protection Arrangement (RPA) for Academy Trusts. The RPA is an alternative to insurance where UK Government funds aimed to protect Academy Trusts against losses due to any unforeseen and unexpected event. This protection includes 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. The cost of the RPA in the year was £23,260.

Newlands Girls' School also has additional policies in place to cover engineering inspections and insurance.

### **Method of Recruitment and Appointment or Election of Trustees**

The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. Trustees fall into different categories:

Parent Trustees are elected by parents and carers of registered pupil and must be such parents and carers at the time of their election. If insufficient parents stand for election, the Governing Body can co-opt Parent Trustees.

Staff Trustees are elected by and from the staff. If insufficient staff stand for election, the Governing Body can co-opt a Trustee from the staff.

Trustees represent the local community and also bring particular knowledge, skills and expertise to the Governing Body. The Trustees are voted on by the Governing Body of the Academy.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

All trustees are provided with policies on their roles and responsibilities, conduct and guidance on the general principles of behaviour. Trustees are expected to engage in annual training and attend a programme of induction. Opportunities for training are provided through courses and specialist input at Governors' meetings. All trustees are provided with documentation, such as policies, procedures, data and budgets in advance of meetings. All trustees are expected to become a 'Link' to Subject Departments and/or Year Groups and, as such, familiarise themselves with this particular aspect of the school through visits and regular communication.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Organisational Structure**

The trustees meet as a Full Governing Body at least 3 times a year with various committee meetings of the 3 sub-groups, namely:

- Curriculum
- Resources (This includes Finance, Sites and Buildings and School and Community)
- Salaries

The senior member of staff to whom day to day management is delegated is Dr Louise Ceska, Headteacher. The organisational structure consists of three levels: the Trustees, the Senior Leadership Team and the Middle Leadership Team. The aim of the management structure is to distribute leadership and to encourage good decision making at all levels. The trustees are responsible for setting general policies, adopting an annual plan and budget and monitoring the Academy's capital expenditure.

The Leadership Team consists of the Headteacher, two Deputy Headteachers, five Assistant Headteachers and the Bursar. These managers control the Academy at an executive level, implementing policies laid down by the Trustees and reporting back to them. All authorisation of spending within agreed budgets is delegated to the Middle Leaders who co-ordinate the day-to-day activities within their specific area of responsibility.

Staffing appointments below the level of Assistant Head are made by the Headteacher. Trustees are involved with appointments of Assistant Heads, Deputy Heads and the Headteacher. Pay decisions are made by the Salaries Committee. The Resources Committee receives regular reports from the Bursar and advises the Full Governing Body of budgetary challenges and considerations.

**Arrangements for setting pay and remuneration of key management personnel**

The Governing Body assign a seven point individual school range based on the school group size and any other relevant factors as determined by the STPCD for the Headteacher's Pay Scale. For the Deputy Head posts, the Governing Body determine a seven point pay range from within the Leadership Scale and for the Assistant Heads a five point pay range from the Leadership Scale as contained within the STPCD. The Bursar's pay scale was agreed at the Salaries Committee in November 2015 on recommendation from the Headteacher after benchmarking against similar local providers.

**Trade union facility**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Relevant union officials (continued)**

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

Provide the total cost of facility time	£0
Provide the total pay bill	£5,065,977.30
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

**Paid trade union activities**

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

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

**Related Parties and other Connected Charities and Organisations**

The school does not have any business sponsors, but works closely with other schools, both Primary and Secondary, in the local area. At Key Stage 5, Newlands works with Desborough College, Altwood, Cox Green and Furze Platt Schools to provide Sixth Form study opportunities, such as the Government and Politics A-Level course at Desborough. Newlands reciprocates by providing places in A-Level subjects such as Music. Newlands Girls' School cooperates with Newlands Parent Association (charity registration number 1117220) in the pursuit of charitable activities, but does not have a controlling interest or ownership interest.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object of the trust is to advance, for the public benefit, education in the UK by maintaining, managing and developing Newlands Girls' School as a provider of high quality education for girls aged 11 to 19 who reside mainly in the local area. The aim is for the school to enable all learners to fulfil their potential and for staff, both teaching and non-teaching, to develop fully their skills and aptitudes.

Our mission statement is as follows:

'At Newlands we create confident and responsible young women equipped with the skills they need for the 21<sup>st</sup> Century. We empower all students to realise their potential as part of a sustainable community committed to lifelong learning.'

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives, Strategies and Activities**

Our objectives for the year are taken from our School Development Plan and in particular, we aimed to:

- Be in the top 10% of schools for progress
- Achieve an ALPS 3 at Key Stage 5
- Promote the well-being of pupils
- Prepare all pupils for life after Newlands
- Promote a good work/life balance for staff
- Develop and maintain the site so that it is safe and effective for all users

Criteria to be used to assess success will include:

- 4-9 GCSE outcomes
- Progress 8
- Attainment 8
- ALPS
- Attendance and exclusion data
- Staff performance management outcomes
- OFSTED inspections

The School Development Plan, and progress against it, is closely monitored by committees of the Governing Body. All Subject Departments and Year Groups complete Development Plans and carry out regular evaluations

**Public Benefit**

The Academy Trust's trustees have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission.

**STRATEGIC REPORT**

**Achievements and Performance**

Teaching and learning at Newlands is outstanding (OFSTED 2018). The curriculum changes were successfully implemented and the new grades of 9-1 introduced in all subjects. Successful achievement of the school's aims also include 88% of Year 11 gaining the new '4' grade (or above) in both GCSE English and GCSE Maths. E-Bacc outcomes (2019) were at 68%. At A-Level grades A\*-B were at 61% and A\*-E at 100%. Attendance at Newlands remained above 95% (well above the national average), which demonstrates good levels of pupil well-being. Progress 8 is a pleasing 0.61.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Key Performance Indicators**

Newlands Girls' School represents excellent value for money, achieving a Progress 8 score of 0.61 commensurate with the performance of schools in the top 11% of the country. The OFSTED inspection that took place in October 2018 judged the school to be 'outstanding'

	<b>2017-18</b>	<b>2018-19</b>
Staff cost as a percentage of ESFA/DFE Funding	91%	90%
% of pupils achieving Grades 9- 4 GCSE in in both English & Maths	85%	88%

All public examination outcomes are well above national average. Pupil attendance and recruitment are at high levels, with waiting lists for most Year groups, including 45 for Year 7 (2018-2029).

**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**

The Academy remains financially viable. Moving forward, we anticipate continued pressure on our finances due to government under-funding of schools and the continuing challenges in recruiting teachers. We adhere to the procedures set out in our Financial Manual written in accordance with the Academies Financial Handbook.

The majority of the Academy's income is obtained from the ESFA in the form of the General Annual Grant. The funds are restricted as shown in the statement of financial activities. The Academy also receives other grants such as Pupil Premium and Special Needs funding. Any other items of funding have been assigned in the financial statements in accordance with the guidelines set down by SORP (Statement of Recommended Practice).

The majority of expenditure is on staff salaries and the resources necessary to meet the Academy's key objectives.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Reserves Policy**

The balance of our restricted funds at 31st August 2019, excluding the pension liability, is £87,866 (2018: £101,593) and the balance of our unrestricted funds at 31st August is £309,118 (2018: £259,574). Part of these funds will be needed to continue to balance the budget for the next 3 years. Also, monies will be needed to continue works identified by the Leadership Team and Governors that are included within our Capital Works Priority List that is updated throughout the year. This Capital Works Priority List includes items such as replacement windows and repair to paths. The aim of the Leadership Team and Governors was to keep the reserves high throughout the year to offset the financial pressures caused by known issues such as whether the increase in the Employers TPS rate to 23.68% will continue to be funded beyond 2019/20 and cover required contributions for any future capital works applied for through Condition Improvement Funding.

At 31 August 2019 the total funds comprised:

Unrestricted		309,118
Restricted:	Fixed asset funds	27,431,693
	Pension reserve	(2,558,000)
	Other	87,886
		<u>25,270,697</u>

**Investment Policy**

Our surplus funds are held within our Lloyds TSB bank account as per our Financial Manual. The trustees agreed that the surplus funds should remain within our Lloyds TSB bank account so that they can accrue interest and be used to ensure a healthy cash flow during months of high expenditure, e.g. when exam fees become payable.

**Principal Risks and Uncertainties**

Performance risk – mitigated by rigorous monitoring of pupil progress and staff performance

Reputational risk – mitigated by ensuring positive outcomes for all pupils and the fostering of good relationships with all stakeholders

Financial risk – mitigated by strenuous efforts to keep pupil numbers up, rigorous attention to driving down costs, close monitoring of cash flow, segregation of duties and tight adherence to budgets.

Risks associated with personnel – mitigated by adherence to safer recruitment principles, DBS and medical checks, (SLA with RBWM HR Department) and commitment to keeping up to date with changes to employment law.

Through its Governing Body and sub-committees, the Academy practises risk management principles. Any major risks highlighted at any committee are brought to the Full Governing Body with proposed actions and continue to be reported until the risk is adequately mitigated. The Governing Body accepts managed risks as an inevitable part of its operations, but maintains an objective not to run unacceptable levels of risk in any area.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**FUNDRAISING**

The school raised funds in 2018-19 by submitting bids to Spoore, Merry and Rixman, a locally based charity that supports education. This enabled the school to receive funding for furnishing the new Q space, a study area for pupils that was created by building works to turn an external quadrangle into an internal learning space. Our Parents' Association, who are a separate charity in their own right, raised funds by running various activities for parents and pupils throughout the year such as year 7 disco, second hand uniform sales etc. The school's approach to fundraising is to avoid approaching parents directly other than by asking for voluntary contributions to the School Fund where parents are able to decide how much they would like to contribute. Pupils also participated in Non School Uniform Days to raise money for new picnic benches made from recycled plastic. We also approach other organisations, such as Green Redeem, from whom we have obtained a Reverse Vending Machine and at the end of the scheme Green Redeem will give us 5p for every plastic bottle the school has recycled.

**PLANS FOR FUTURE PERIODS**

The trustees and senior staff continue to strive for provision that is consistent with Newlands' 'Outstanding' rating. The site continues to require a large amount of improvement work, such as to the windows, curtain walling, paths and flat roofs.

**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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2019 and signed on the board's behalf by:

**Mr S Bridge**  
Chair of Trustees

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**SCOPE OF RESPONSIBILITY**

As trustees we acknowledge we have overall responsibility for ensuring that Newlands Girls' 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 Dr L.V. Ceska 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 Newlands Girls' 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Bridge (Chairman)	6	6
L V Ceska (Headteacher and Accounting Officer)	5	6
P Manby	5	6
C Mulvihill	4	6
K Pannu	6	6
R Preece	4	6
L Allaway (Staff Governor)	5	6
H Buckle	3	6
C Vincent	3	6
T Mahmood	3	6
P McMasters	5	6
S Gondal	2	6
C Jones	5	6
B Leach	4	6
H Wheeler	3	6
F Sheikh	2	6
L Swanson (appointed in year)	4	4
S Carroll (appointed in year)	3	4

The Outstanding Ofsted Inspection report for 9<sup>th</sup> to 10<sup>th</sup> October 2018 states

**"Governance of the school**

Governors share leaders' high aspirations. Governors have worked closely with leaders to ensure that improvements to teaching in recent years have resulted in high rates of progress and attainment, particularly in key stage 4.

Governors have a wide range of experience. They provide high levels of challenge to leaders and use school visits to monitor regularly the effect of leaders' actions on standards. For example, each governor is linked to a department so that they can attend department meetings, ask pertinent questions, and provide support.

Governors ensure that they are well trained. Those who are new to the governing body receive timely support and appropriate training. As a result, governors have a deep understanding of their responsibilities and have an accurate view of the school's strengths and weaknesses. "

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**GOVERNANCE (continued)**

**Changes during 2018-19**

Governing Body is compliant with GDPR, so that all Governors now have an @newlands.co.uk email address which is used for correspondence.

Governors have access to a dedicated area on the NGS network, and use of Office 365 tools; in particular, One Drive has enabled the sharing of documentation, and One Note provides a knowledge repository. New process introduced for the management, review and approval of policies, designed to improve the quality of Governors' input.

Scheme of meetings developed to provide an annual framework for meeting dates and agendas. In particular, this is designed to ensure that all Governors can be more fully briefed by the school on topics such as Funding, SEN and Disabilities and understand the challenges that they may present.

Last year, in reviewing its skill base, the Governing Body had identified a need to boost the Financial/Accountancy expertise amongst its members, and 2 new Governors were recruited at the beginning of 2019 to this end.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

**Finance**

- To ensure that the school conducts its financial affairs in an organised and efficient manner, observes good standards of financial stewardship to avoid corruption, mismanagement or maladministration.
- To ensure that all available funding is used to meet the school's aims, including educational priorities as identified in the School Development Plan.
- To undertake the monitoring, evaluating and reviewing of the budget and patterns of spending, including benchmarking against other schools.
- To approve virements (changes of allocations between budget headings) as set out in the Financial Regulations.
- To ensure that adequate insurance for all considerable risks is maintained.
- To ensure compliance with the Education Skills & Funding Authority's (ESFA) Academies Financial Handbook and the schools funding agreement with ESFA.
- To oversee, monitor and keep under review the school's financial procedures and make any necessary recommendations for change to Governing Body as appropriate in accordance with Annex 3.

**Audit**

- Advise the Governing Body and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.
- Advise the Governing Body on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.
- Advise the Governing Body on the need for, and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of, an internal auditor or other assurance provider to ensure that the Trust meets its legal and contractual requirements.
- Determine an appropriate programme of work to be undertaken through the audit and assurance processes. This programme of work will be derived from the Committee's regard of the key risks faced by the Trust, the assurance framework in place and its duty to report to the Governing Body.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (annual reports, management letters etc) from the external auditor and other bodies, for example the EFA and NAO, and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the Governing Body or other committee for information and action.

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**GOVERNANCE (continued)**

Audit

- Monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- Review the Trust's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- Meet with the external auditor annually.

Sites & Buildings

- To provide support and guidance to the Headteacher on all matters relating to the school premises, grounds, security and health and safety.
- To carry out regular inspections of the premises and grounds and approve the annual statement of priorities for maintenance and development. To inform the FGB of the results of the inspection and the priorities.
- To oversee the procurement of contracts for services to the school e.g. cleaning, catering.
- To oversee, monitor and keep under review the Health & Safety Policy, Lettings Policy and Premises Management Policy for the Governing Body and any other relevant policies.
- To assist the Governing Body and Headteacher to discharge their responsibilities under the Health and Safety at Work Act and other relevant legislation, in collaboration with the local authority.
- To make periodic inspections of buildings, plant and equipment and report to the Governing Body as appropriate.
- To draft up medium and long-term plans relating to the repair, maintenance and development of premises and recommend action to the Governing Body.

School and Community

- To encourage good relations with the media;
- To encourage governor attendance at appropriate school events;
- To provide a link with the Parents' Association and Parents' Forum;
- To develop good relations with local community, business and other educational groups;
- To monitor and progress issues raised through various stakeholder questionnaires;
- To revise and update regularly policies allocated and relevant to this Committee on a cycle to be determined throughout the year.

Salaries Sub-Committee

- To appoint an Advisor to assist the Headteacher's Performance Review Panel in reviewing the Head's salary and setting annual objectives.
- To agree the Headteacher's salary based on recommendations made by the Headteachers Performance Review Panel.
- To agree the salary range for all staff on the Leadership Scale.
- To consider the Headteacher's recommendations for the Deputies' and Assistant Headteachers' salaries
- To consider requests, as submitted by the Headteacher, for the re-grading of the salaries of individual members of the support staff.

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**GOVERNANCE (continued)**

Salaries Sub-Committee

- To be available, if necessary, to take part in staff disciplinary, competency or grievance procedures.
- To receive information from the Headteacher on the outcomes of assessment of threshold applications.
- To receive a report from the Headteacher on the performance of any member of teaching staff eligible to be considered for movement on the Teacher Main Scale or Upper Pay Scale.
- To approve and monitor the school's Pay and Appraisal policies.

In year the Resources Committee looked at a Draft A budget and the Bursar went through a report of what possible expenditure items were considered by the Leadership Team for reduction in order to balance the budget.

During the year Lisa Swanson and Shelley Caroll joined the committee. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
		3
Louise Ceska	3	
Stephen Bridge	3	3
Tahir Mahmood	2	3
Paul Manby	1	3
Karnail Pannu	0	3
Caroline Mulvihill	1	3
Clare Vincent	2	3
Bart Leach	3	3
Hannah Wheeler	0	3
Patrick McMaster	3	3
Farah Sheikh	2	3
Lisa Swanson (appointed February 2019)	1	1
Shelley Carroll (appointed February 2019)	1	1

**REVIEW OF VALUE FOR MONEY**

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

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

- Continued significant reduction on the use of recruitment agencies
- Ensuring that pupil performance outcomes are at the highest level, as indicated by Newlands Girls' School performing at a consistently above average rate so as to ensure the ongoing popularity of the school
- Ensuring that pupil numbers are kept at a high level in order to improve income

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 Newlands Girls' School for the period 1<sup>st</sup> 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<sup>st</sup> 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.

**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 has decided:

- not to appoint an internal auditor. However the trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**THE RISK AND CONTROL FRAMEWORK (continued)**

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of school trips and offers
- testing of personnel files

On a termly basis, MHA MacIntyre Hudson, the auditor reports to the board of trustees, through the resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**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 auditor
- the financial management process
- 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 resources 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 2 December 2019 and signed on its behalf by:

**Mr S Bridge**  
Chair of Trustees

**Dr L Ceska**  
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2019**

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As accounting officer of Newlands Girls' 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 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.

**Dr L Ceska**  
Accounting officer

2 December 2019

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 of 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 2 December 2019 and signed on its behalf by:

**S Bridge**  
Chair of Trustees

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

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**Opinion**

We have audited the financial statements of Newlands Girls' School (the 'Academy Trust') for the year ended 31 August 2019 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 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 Academy Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NEWLANDS GIRLS' SCHOOL (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities 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 (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NEWLANDS GIRLS' SCHOOL (CONTINUED)**

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**Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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 Academy Trust's members and Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)**

for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 19 December 2019

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEWLANDS GIRLS' SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newlands Girls' School during the year 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 Newlands Girls' School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Newlands Girls' School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newlands Girls' School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Newlands Girls' School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Newlands Girls' School's funding agreement with the Secretary of State for Education dated 25 September 2015 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 year 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEWLANDS GIRLS' SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- consideration of governance issues;
- evaluating the internal control procedures, reporting lines, and testing as appropriate;
- making appropriate enquiries of the Accounting Officer.

**Conclusion**

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

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 19 December 2019

**NEWLANDS GIRLS' SCHOOL**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestrict ed funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	9,118	42,249	1,168,787	1,220,154	161,003
Charitable activities	4	-	5,960,958	-	5,960,958	5,834,723
Other trading activities	5	104,754	6,363	-	111,117	109,703
Investments	6	445	-	-	445	399
<b>Total income</b>		<b>114,317</b>	<b>6,009,570</b>	<b>1,168,787</b>	<b>7,292,674</b>	<b>6,105,828</b>
<b>Expenditure on:</b>						
Raising funds		20,629	-	-	20,629	20,712
Charitable activities		-	6,328,737	413,004	6,741,741	6,544,505
<b>Total expenditure</b>	7	<b>20,629</b>	<b>6,328,737</b>	<b>413,004</b>	<b>6,762,370</b>	<b>6,565,217</b>
<b>Net income/(expenditure)</b>		<b>93,688</b>	<b>(319,167)</b>	<b>755,783</b>	<b>530,304</b>	<b>(459,389)</b>
Transfers between funds	19	(45,475)	43,460	2,015	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(380,000)	-	(380,000)	403,000
<b>Net movement in funds</b>		<b>48,213</b>	<b>(655,707)</b>	<b>757,798</b>	<b>150,304</b>	<b>(56,389)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		259,574	1,814,407	26,673,895	25,119,062	25,175,451
Net movement in funds		48,213	(655,707)	757,798	150,304	(56,389)
<b>Total funds carried forward</b>		<b>307,787</b>	<b>2,470,114)</b>	<b>27,431,693</b>	<b>25,269,366</b>	<b>25,119,062</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 54 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	14		<b>27,383,730</b>		26,665,471
			<u>27,383,730</u>		<u>26,665,471</u>
<b>Current assets</b>					
Stocks	15	<b>3,764</b>		5,095	
Debtors	16	<b>187,829</b>		63,202	
Cash at bank and in hand		<b>448,968</b>		369,854	
			<u>640,561</u>	<u>438,151</u>	
Creditors: amounts falling due within one year	17	<b>(186,957)</b>		(56,780)	
			<u>453,604</u>	<u>381,371</u>	
<b>Net current assets</b>			<b>453,604</b>		381,371
<b>Total assets less current liabilities</b>			<u>27,837,334</u>		<u>27,046,842</u>
Creditors: amounts falling due after more than one year	18		<b>(9,968)</b>		(11,780)
Defined benefit pension scheme liability	25		<b>(2,558,000)</b>		(1,916,000)
<b>Total net assets</b>			<u>25,269,366</u>		<u>25,119,062</u>
<b>Funds of the Academy Trust</b>					
<b>Restricted funds:</b>					
Fixed asset funds	19	<b>27,431,693</b>		26,673,895	
Restricted income funds	19	<b>87,886</b>		101,593	
Pension reserve	19	<b>(2,558,000)</b>		(1,916,000)	
<b>Total restricted funds</b>	19		<u>24,961,579</u>		<u>24,859,488</u>
<b>Unrestricted income funds</b>	19		<b>307,787</b>		259,574
<b>Total funds</b>			<u>25,269,366</u>		<u>25,119,062</u>

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue on 02 December 2019 and are signed on their behalf, by:

**S Bridge**  
Chair of Trustees

The notes on pages 27 to 54 form part of these financial statements.

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**NEWLANDS GIRLS' SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>41,145</b>	3,267
<b>Cash flows from investing activities</b>	22	<b>37,969</b>	(28,979)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>79,114</b>	(25,712)
Cash and cash equivalents at the beginning of the year		<b>369,854</b>	395,566
<b>Cash and cash equivalents at the end of the year</b>	23	<b>448,968</b>	369,854
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 54 form part of these financial statements

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

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**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.

**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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 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 the 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.

Investment income, gains and losses are allocated to the appropriate fund.

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

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**1. Accounting policies (continued)**

**1.3 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 year is deducted from income and recognised as a liability.

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

**1.4 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

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**1. Accounting policies (continued)**

**1.5 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

Expenditure on charitable activities 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.

**1.6 Going concern**

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

**1.7 Tangible fixed assets**

Assets costing £3,000 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

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

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Leashold property	-	2% straight line on buildings only
Furniture and fixtures	-	20% straight line
Computer equipment	-	33% straight line

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

**1.8 Operating leases**

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

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.11 Cash at bank and in hand**

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

**1.12 Liabilities and provisions**

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

Provisions 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.

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

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**1. Accounting policies (continued)**

**1.13 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 bases 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

**1.14 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.

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

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**1. Accounting policies (continued)**

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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.

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

**2. Critical accounting estimates and areas of judgment**

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

*Critical accounting estimates and assumptions:*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

*Critical areas of judgment:*

The judgments that have a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
Donations	9,118	986,206	<b>995,324</b>	136,241
DfE/ESFA capital grants	-	224,830	<b>224,830</b>	24,762
	<u>9,118</u>	<u>1,211,036</u>	<u><b>1,220,154</b></u>	<u>161,003</u>
Total 2018	<u>4,334</u>	<u>156,669</u>	<u>161,003</u>	

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

**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	5,487,133	<b>5,487,133</b>	5,412,139
Pupil premium	123,889	<b>123,889</b>	101,390
Other DfE/ESFA revenue grants	111,825	<b>111,825</b>	56,095
	<u>5,722,847</u>	<u><b>5,722,847</b></u>	<u>5,569,624</u>
<b>Other government grants</b>			
Local Authority grants	38,682	<b>38,682</b>	48,527
	<u>38,682</u>	<u><b>38,682</b></u>	<u>48,527</u>
<b>Other funding</b>			
Trip and other income	199,429	<b>199,429</b>	216,572
	<u>199,429</u>	<u><b>199,429</b></u>	<u>216,572</u>
	<u><u>5,960,958</u></u>	<u><u><b>5,960,958</b></u></u>	<u><u>5,834,723</u></u>

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
Hire of facilities and rental income	103,950	2,884	<b>106,834</b>	97,521
Insurance claims reimbursement	-	-	-	2,502
Other self generated income	804	3,479	<b>4,283</b>	9,680
	<u>104,754</u>	<u>6,363</u>	<u><b>111,117</b></u>	<u>109,703</u>
Total 2018	<u><u>95,872</u></u>	<u><u>13,831</u></u>	<u><u>109,703</u></u>	

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

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest receivable	445	<b>445</b>	399

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Expenditure on raising funds:					
Direct costs	14,949	5,680	-	<b>20,629</b>	20,712
Academy's educational operations:					
Direct costs	4,379,002	-	480,411	<b>4,859,413</b>	4,806,800
Allocated support costs	977,751	589,946	314,631	<b>1,882,328</b>	1,737,705
	<u>5,371,702</u>	<u>595,626</u>	<u>795,042</u>	<u><b>6,762,370</b></u>	<u>6,565,217</u>
Total 2018	<u>5,203,340</u>	<u>573,136</u>	<u>788,741</u>	<u>6,565,217</u>	

In 2019, of the total expenditure of £6,761,039 (2018: £6,565,217) £20,629 (2018: £20,712) was to unrestricted funds, £6,327,406 (2018: £6,181,844) was to restricted funds and £413,004 (2018: £362,661) was to restricted fixed asset funds.

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

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Academy's educational operations	4,859,413	1,882,328	<b>6,741,741</b>	6,544,505
Total 2018	<u>4,806,800</u>	<u>1,737,705</u>	<u>6,544,505</u>	

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Teaching and educational support staff costs	<b>4,379,002</b>	4,311,540
Educational supplies	<b>90,961</b>	86,849
Examination fees	<b>101,868</b>	92,045
Educational consultancy	<b>40,610</b>	39,937
Other staff costs and expenses	<b>51,343</b>	47,043
Other direct costs	<b>195,629</b>	229,386
	<u><b>4,859,413</b></u>	<u>4,806,800</u>

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

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Support staff costs	49,000	52,000
Pension finance costs	977,751	876,547
Depreciation	413,004	362,662
Technology costs	59,124	56,643
Premises costs	257,159	252,734
Other support costs	105,157	117,547
Governance costs	21,133	19,572
	<b>1,882,328</b>	<b>1,737,705</b>

**9. Analysis of specific expenses**

Included within expenditure are the following transactions:

	<b>Total £</b>	<b>Individual items above £5,000 Amount £</b>	<b>Reason</b>
Unrecoverable debts	34	-	

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Operating lease rentals	11,725	12,605
Depreciation of tangible fixed assets - owned by charity	413,004	362,662
Fees paid to auditors for:		
- audit	9,000	9,000
- other services	10,815	9,395

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

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	2018
	£	£
Wages and salaries	<b>4,134,302</b>	3,993,677
Social security costs	<b>389,423</b>	379,055
Pension costs	<b>847,432</b>	782,798
	<u><b>5,371,157</b></u>	<u>5,155,530</u>
Agency staff costs	<b>545</b>	47,810
	<u><b>5,371,702</b></u>	<u>5,203,340</u>

**b. Staff numbers**

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

	<b>2019</b>	2018
	No.	No.
Teaching	<b>82</b>	81
Administration and support	<b>86</b>	86
Management	<b>4</b>	4
	<u><b>172</b></u>	<u>171</u>

**c. Higher paid staff**

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

	<b>2019</b>	2018
	No.	No.
In the band £60,001 - £70,000	<b>2</b>	2
In the band £100,001 - £110,000	<b>1</b>	1
	<u><b>1</b></u>	<u>1</u>

All of the above participated in the Teacher's Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff amounted to £38,448 (2018: £38,625).

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

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**11. Staff costs (continued)**

**d. Key management personnel**

The key management personnel of the Academy Trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £724,411 (2018: £667,781).

**12. Related party transactions - Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	2018
		£	£
L Ceska, Head Teacher	Remuneration	<b>100,000 -</b>	100,000 -
		<b>105,000</b>	105,000
	Pension contributions paid	<b>15,000 -</b>	15,000 -
		<b>20,000</b>	20,000
L Allaway, Trustee	Remuneration	<b>50,000 -</b>	50,000 -
		<b>55,000</b>	55,000
	Pension contributions paid	<b>5,000 -</b>	5,000 -
		<b>10,000</b>	10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**13. Trustees' and Officers' insurance**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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

**14. Tangible fixed assets**

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	27,390,616	182,341	101,814	27,674,771
Additions	1,057,754	73,509	-	1,131,263
At 31 August 2019	<u>28,448,370</u>	<u>255,850</u>	<u>101,814</u>	<u>28,806,034</u>
<b>Depreciation</b>				
At 1 September 2018	940,157	36,035	33,108	1,009,300
Charge for the year	338,985	43,231	30,788	413,004
At 31 August 2019	<u>1,279,142</u>	<u>79,266</u>	<u>63,896</u>	<u>1,422,304</u>
<b>Net book value</b>				
At 31 August 2019	<u>27,169,228</u>	<u>176,584</u>	<u>37,918</u>	<u>27,383,730</u>
At 31 August 2018	<u>26,450,459</u>	<u>146,306</u>	<u>68,706</u>	<u>26,665,471</u>

Included in long-term leasehold property is long-term leasehold land at valuation £11,266,350 (2018: £11,266,350) which is not depreciated.

The Academy Trust's transactions relating to land and buildings included the construction of buildings on the school site valued at £900,000 from the Royal Borough of Windsor and Maidenhead.

**15. Stocks**

	2019 £	2018 £
Catering stock	<u>3,764</u>	<u>5,095</u>

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

**16. Debtors**

	<b>2019</b>	2018
	£	£
<b>Due within one year</b>		
Trade debtors	<b>8,558</b>	13,484
Prepayments and accrued income	<b>142,485</b>	20,155
VAT recoverable	<b>36,786</b>	29,563
	<u><b>187,829</b></u>	<u>63,202</u>

**17. Creditors: Amounts falling due within one year**

	<b>2019</b>	2018
	£	£
Other creditors	<b>1,812</b>	1,812
Accruals and deferred income - Ski trip	<b>185,145</b>	54,968
	<u><b>186,957</b></u>	<u>56,780</u>

	<b>2019</b>	2018
	£	£
Deferred income at 1 September 2018	<b>37,547</b>	79,531
Resources deferred during the year	<b>112,917</b>	37,547
Amounts released from previous periods	<b>(37,547)</b>	(79,531)
	<u><b>112,917</b></u>	<u>37,547</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips and rates relief.

Included within other creditors is a SALIX loan of £1,812. The SALIX loan is from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments.

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

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**18. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	2018
	£	£
Other loans	<b>9,968</b>	11,780

Included within other creditors is a SALIX loan of £9,968. The SALIX loan is from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments. £2,718 is repayable after 5 years.

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

**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General unrestricted funds	259,574	114,317	(20,629)	(45,475)	-	307,787
<b>Restricted general funds</b>						
General Annual Grant	-	5,487,133	(5,539,575)	52,442	-	-
Pupil premium	-	123,889	(123,889)	-	-	-
Other DfE/ESFA revenue grants	-	111,825	(111,825)	-	-	-
Local authority grants	-	38,682	(38,682)	-	-	-
School fund	92,611	148,486	(153,211)	-	-	87,886
Other restricted funds	-	99,555	(99,555)	-	-	-
Transfer on conversion from LA	8,982	-	-	(8,982)	-	-
Pension reserve	(1,916,000)	-	(262,000)	-	(380,000)	(2,558,000)
	<u>(1,814,407)</u>	<u>6,009,570</u>	<u>(6,328,737)</u>	<u>43,460</u>	<u>(380,000)</u>	<u>(2,470,114)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	1,221	224,830	-	(179,084)	-	46,967
Donations	7,203	43,957	-	(50,164)	-	996
Fixed asset fund	26,665,471	-	(413,004)	1,131,263	-	27,383,730
Donated assets	-	900,000	-	(900,000)	-	-
	<u>26,673,895</u>	<u>1,168,787</u>	<u>(413,004)</u>	<u>2,015</u>	<u>-</u>	<u>27,431,693</u>
<b>Total Restricted funds</b>	<u>24,859,488</u>	<u>7,178,357</u>	<u>(6,741,741)</u>	<u>45,475</u>	<u>(380,000)</u>	<u>24,961,579</u>
<b>Total funds</b>	<u>25,119,062</u>	<u>7,292,674</u>	<u>(6,762,370)</u>	<u>-</u>	<u>(380,000)</u>	<u>25,269,366</u>

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

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**19. Statement of funds (continued)**

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

General unrestricted funds can be spent on meeting objectives at the discretion of the Trustees.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education & Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted funds represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

Other restricted income funds represents donations and miscellaneous educational income which must be used for the purposes agreed.

The pension reserve scheme deficit represents the future pension funding requirements which will be met from future employer pension contributions.

The transfer from other restricted funds to General Annual Grant fund is to top up General Annual Grant funds, and the transfer between restricted funds and restricted fixed asset funds represents amounts capitalised during the period and funded from income reserves.

Restricted fixed asset funds represent the amounts invested in fixed assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**NEWLANDS GIRLS' SCHOOL**  
**(A Company Limited by Guarantee)**

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

**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General unrestricted funds	179,814	100,472	(20,712)	-	-	259,574
<b>Restricted general funds</b>						
General Annual Grant	-	5,412,139	(5,443,220)	31,081	-	-
Pupil premium	-	101,390	(101,390)	-	-	-
Other DfE/ESFA revenue grants	-	56,095	(56,095)	-	-	-
Local authority grants	-	48,527	(48,527)	-	-	-
School fund	97,938	173,742	(179,069)	-	-	92,611
Other restricted funds	-	107,542	(107,542)	-	-	-
Transfer on conversion from LA	77,865	-	-	(68,883)	-	8,982
Pension reserve	(2,073,000)	-	(246,000)	-	403,000	(1,916,000)
	<u>(1,897,197)</u>	<u>5,899,435</u>	<u>(6,181,843)</u>	<u>(37,802)</u>	<u>403,000</u>	<u>(1,814,407)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	-	24,762	-	(23,541)	-	1,221
Donations	-	81,159	-	(73,956)	-	7,203
Fixed asset fund	26,892,834	-	(362,662)	135,299	-	26,665,471
	<u>26,892,834</u>	<u>105,921</u>	<u>(362,662)</u>	<u>37,802</u>	<u>-</u>	<u>26,673,895</u>
<b>Total Restricted funds</b>	<u>24,995,637</u>	<u>6,005,356</u>	<u>(6,544,505)</u>	<u>-</u>	<u>403,000</u>	<u>24,859,488</u>
<b>Total funds</b>	<u>25,175,451</u>	<u>6,105,828</u>	<u>(6,565,217)</u>	<u>-</u>	<u>403,000</u>	<u>25,119,062</u>

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

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	27,383,730	<b>27,383,730</b>
Current assets	307,787	284,811	47,963	<b>640,561</b>
Creditors due within one year	-	(186,957)	-	<b>(186,957)</b>
Creditors due in more than one year	-	(9,968)	-	<b>(9,968)</b>
Pension scheme liability	-	(2,558,000)	-	<b>(2,558,000)</b>
<b>Total</b>	<b>307,787</b>	<b>(2,470,114)</b>	<b>27,431,693</b>	<b>25,269,366</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	26,665,471	26,665,471
Current assets	259,574	170,153	8,424	438,151
Creditors due within one year	-	(56,780)	-	(56,780)
Creditors due in more than one year	-	(11,780)	-	(11,780)
Pension scheme liability	-	(1,916,000)	-	(1,916,000)
<b>Total</b>	<b>259,574</b>	<b>(1,814,407)</b>	<b>26,673,895</b>	<b>25,119,062</b>

**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**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>530,304</b>	(459,389)
<b>Adjustments for:</b>		
Amortisation	<b>413,004</b>	362,661
Capital grants from DfE and other capital income	<b>(268,787)</b>	(105,921)
Interest receivable	<b>(445)</b>	(399)
Decrease in stocks	<b>1,331</b>	61
Increase/decrease in debtors	<b>(124,627)</b>	21,667
Increase/(decrease) in creditors	<b>128,365</b>	(61,413)
Pension adjustments	<b>262,000</b>	246,000
Donated assets	<b>(900,000)</b>	-
<b>Net cash provided by operating activities</b>	<b>41,145</b>	3,267

**22. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>445</b>	399
Purchase of tangible fixed assets	<b>(1,131,263)</b>	(135,299)
Capital grants from DfE Group	<b>224,830</b>	24,762
Capital funding received from sponsors and others	<b>943,957</b>	81,159
<b>Net cash provided by/(used in) investing activities</b>	<b>37,969</b>	(28,979)

**23. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>448,968</b>	369,854
<b>Total cash and cash equivalents</b>	<b>448,968</b>	369,854

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

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**24. Capital commitments**

	<b>2019</b>	2018
	£	£
<b>Contracted for but not provided in these financial statements</b>		
Contracted for but not provided in these financial statements	-	19,901
	<u>          </u>	<u>          </u>

**25. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Royal County of Berkshire. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension commitments (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

**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 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%.

**Scheme changes**

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

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

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**25. Pension commitments (continued)**

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 year amounted to £476,227 (2018 - £448,065).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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 £210,000 (2018 - £185,000), of which employer's contributions totalled £158,000 (2018 - £138,000) and employees' contributions totalled £ 52,000 (2018 - £47,000). The agreed contribution rates for future years are 19.6 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	2018
	%	%
Rate of increase in salaries	<b>3.70%</b>	3.80%
Rate of increase for pensions in payment/inflation	<b>2.20%</b>	2.30%
Discount rate for scheme liabilities	<b>1.85%</b>	2.65%
Inflation assumption (CPI)	<b>2.20%</b>	2.30%
RPI increases	<b>3.20%</b>	3.30%

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**25. Pension commitments (continued)**

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

	<b>2019</b>	2018
	<b>Years</b>	Years
<i>Retiring today</i>		
Males	<b>22.1</b>	23.1
Females	<b>24.0</b>	25.2
<i>Retiring in 20 years</i>		
Males	<b>23.7</b>	25.3
Females	<b>25.8</b>	27.5

**Sensitivity analysis - present value of total obligation**

	<b>2019</b>	2018
	<b>£000</b>	£000
Discount rate +0.1%	<b>4,282</b>	3,384
Discount rate -0.1%	<b>4,490</b>	3,546
Mortality assumption - 1 year increase	<b>4,542</b>	3,579
Mortality assumption - 1 year decrease	<b>4,234</b>	3,353
CPI rate +0.1%	<b>4,477</b>	3,536
CPI rate -0.1%	<b>4,295</b>	3,394

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

	<b>At 31</b>	At 31 August
	<b>August 2019</b>	2018
	<b>£</b>	£
Equities	<b>1,018,000</b>	726,000
Other bonds	<b>265,000</b>	232,000
Property	<b>231,000</b>	212,000
Cash and other liquid assets	<b>143,000</b>	229,000
Alternative assets and other	<b>170,000</b>	149,000
<b>Total market value of assets</b>	<b>1,827,000</b>	1,548,000

The actual return on scheme assets was £104,000 (2018 - £60,000).

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

**25. Pension commitments (continued)**

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

	2019 £	2018 £
Current service cost	(320,000)	(331,000)
Past service cost	(49,000)	-
Interest cost	(49,000)	(52,000)
Administrative expenses	(2,000)	(1,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(420,000)</b>	<b>(384,000)</b>

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

	2019 £	2018 £
<b>Opening defined benefit obligation</b>	<b>3,464,000</b>	3,444,000
Current service cost	320,000	331,000
Interest cost	92,000	89,000
Employee contributions	52,000	47,000
Actuarial losses/(gains)	441,000	(380,000)
Benefits paid	(33,000)	(67,000)
Past service costs	49,000	-
<b>Closing defined benefit obligation</b>	<b>4,385,000</b>	3,464,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>Opening fair value of scheme assets</b>	<b>1,548,000</b>	1,371,000
Interest income	43,000	37,000
Actuarial gains	61,000	23,000
Employee contributions	52,000	47,000
Benefits paid	(33,000)	(67,000)
Administration expenses	(2,000)	(1,000)
Employer contributions	158,000	138,000
<b>Closing fair value of scheme assets</b>	<b>1,827,000</b>	1,548,000

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension Commitments (continued)**

	2019 £	2018 £
<b>The amount shown in the Statement of Financial Activities is:</b>		
Changes in financial assumptions	(441,000)	380,000
Return on assets excluding amounts included in net interest	61,000	23,000
<b>Actuarial gains/(losses) on defined benefit pension schemes</b>	<b>(380,000)</b>	<b>403,000</b>
	2019 £	2018 £
<b>The amount shown in the Balance Sheet is:</b>		
Present value of defined benefit obligation	(4,385,000)	(3,464,000)
Fair value of scheme assets	1,827,000	1,548,000
<b>Defined benefit pension scheme liability</b>	<b>(2,558,000)</b>	<b>(1,916,000)</b>

**26. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	5,492	6,769
Later than 1 year and not later than 5 years	-	4,535
	<b>5,492</b>	<b>11,304</b>

**27. 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.

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**28. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and 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 12.