

# Newquay Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 26 March 2014 to 31 August 2015

Registration number: 8961355

# **Newquay Education Trust**

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# Newquay Education Trust

## Reference and Administrative Details

<b>Members</b>	Mr Steven Dunn (appointed 26 March 2014) Mr Ashley Mann (appointed 26 March 2014) Mr Nicholas Jenkin (appointed 26 March 2014) Mr David Linnell (appointed 26 March 2014) Ms Sarah Karkeek (appointed 26 March 2014)
<b>Trustees (Directors)</b>	Ms Sarah Karkeek (appointed 26 March 2014) Mr Nicholas Jenkin (appointed 26 March 2014) Mrs Mary-Rose Merrin (appointed 8 July 2014) Mr Alan Brown (appointed 18 September 2014) Mr Steven Dunn (appointed 26 March 2014) Mr Sebastian Parker (appointed 8 July 2014) Mr Philip Mason (appointed 18 September 2014) Mr Ashley Mann (appointed 26 March 2014) Mr David Linnell (appointed 26 March 2014)
<b>Company Secretary</b>	Mr Andrew Keast
<b>Principal</b>	Mrs Sue Martin
<b>Senior Management Team</b>	Mrs Sue Martin, Executive Principal Mrs Samantha Fairbairn, Associate Principal Mr Andrew Reep, Associate Principal Ms Sarah Goswell, Deputy Associate Principal Mr Ryan Doble, Deputy Associate Principal
<b>Principal and Registered Office</b>	Newquay Tretherras Trevenson Road Newquay Cornwall TR7 3BH
<b>Company Registration Number</b>	8961355
<b>Auditors</b>	Francis Clark LLP Statutory Auditor Lowin House Tregolls Road Truro Cornwall TR1 2NA

# **Newquay Education Trust**

## **Reference and Administrative Details (continued)**

<b>Bankers</b>	Lloyds Bank plc 6 Chesterton Place Chester Road Newquay Cornwall TR7 2RU
<b>Solicitors</b>	Browne Jacobsen Mowbray House Castle Meadow Road Nottingham NG2 1BJ

# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2015. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates a Multi Academy Trust, consisting of Newquay Tretherras and Newquay Junior Academy, for pupils aged 7 to 19 serving a catchment area in Newquay, Cornwall. It has a pupil capacity of 2300 (1700 + 600) and had a roll of 2181 (1622 + 559) in the school census October 2015.

### **Discussion on conversion to Academy Trust**

On 1 September 2014 Newquay Junior Academy and Newquay Tretherras transferred all the operations, assets and liabilities to Newquay Education Trust for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

### **Structure, governance and management**

#### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 26 March 2014. The Directors act as the Trustees for the charitable activities of Newquay Education Trust and are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

#### ***Members' liability***

Each member of the charitable company undertakes to contribute to the assets of the 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.

#### ***Trustees' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### ***Method of recruitment and appointment or election of Trustees***

The members may appoint trustees (minimum of five). Members may appoint one staff trustee from each Academy through such process as they may determine provided that the number of staff trustees does not exceed four and provided that the total number of staff trustees (including the Executive Headteacher) does not exceed one third of the total number of trustees.

- The Executive Headteacher shall be treated for all purposes as being an ex officio trustee.
- The Parent trustees (minimum of two and maximum of four) shall be appointed by NET Board of trustees and must be a parent of a pupil at either Academy at the time when they are elected. Where possible a minimum of one parent shall be appointed from each Academy.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The approach and process for the appointment of trustees to the Academy are subject to Articles 50-63 of the Articles of Association.

### ***Policies and procedures adopted for the induction and training of Trustees***

The Executive Headteacher, Associate Headteachers, Senior Leadership Teams, Clerk to Board, and colleagues on the Board of Trustees support fellow trustees and provide them with essential information about the school and the role of trustees within the school. These include:

- The Department for Education Guide to the Law.
- Details of the school, its staff and its recent performance and assessment information.
- Details of the Board including minutes, dates of meetings, committee structure and terms of reference.
- The most recent school development and financial plans, Ofsted inspection report and school prospectus etc.
- Details of training opportunities.

Cornwall Council provides governors/trustees with a variety of forms of help and support in proportion to their need. A programme of training and other forms of support is provided and reviewed each year to meet the needs of trustees. Some training, support and information is provided free of charge whilst other opportunities are available through a purchased service. Full details are made available via the individual academies and passed on to all new and existing trustees. Alternatively, full details of courses provided are available on the council's website.

# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### ***Organisational structure***

The Academy Trust is made up of the five Members who have signed the Memorandum of Association and have appointed trustees to the Academy; these persons are included in the Reference and Administrative Details section of this report.

The roles and responsibilities of all trustees are defined in the Articles of Association and Terms of Reference which are set out by the Members for each of the sub-committees: Appeals, Disciplinary, Exclusions, Audit, and Pay & Staffing.

The Executive Headteacher is responsible for the day to day implementation and delivery of the strategic development plan as agreed with the trustees. The Executive Headteacher is supported by an Executive Team, including both Associate Headteachers and Director of Finance & Estate, and two Senior Leadership Teams (SLT), one at each site. Members of the SLT have specific roles, responsibilities and delegated authority that require and enable them to successfully support the Executive Team in the delivery of the strategic development plan.

Beyond the SLT, the model of distributive leadership has been extended to delegate responsibility for aspects of academy teaching, learning and administration to nominated individuals who report to the Executive Headteacher and leadership teams.

Matters which must be referred to the trustees either through the committee structure or full Board are:

- The annual Academy budget and staffing proposals.
- Decisions which would involve a breach of the financial regulations of the EFA.
- Proposals for significant change of use of the academy buildings or sites.
- Proposals for new building development.
- Proposals which require expenditure beyond the terms of reference of current budgets.
- Any issues involving discipline, resignation and redundancy of staff.
- Academies Curriculum Plan proposals.
- Decisions which lie outside existing policy or would involve a change of policy.
- Decisions which would involve a breach of Statutory Regulations.

## **Newquay Education Trust**

### **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

#### ***Connected organisations, including related party relationships***

Newquay Education Trust is a member of the follow partnerships:

Kernow Teaching School Alliance - The KTSA was designated in 2014, and is an alliance of schools and colleges across the coastal & rural county of Cornwall. The breadth and depth of experience of the partners spans all educational phases and sectors, from Nursery to Post 16 and Higher Education. The KTSA delivers a comprehensive School Improvement Service which is open to all schools. It offers bespoke support and training at EYFS/FS, KS1-5, Academy Conversion & Business Management. Schools are also able to purchase a comprehensive school improvement package.

Atlantic Consortium – an equal partner with Treviglas Community College and Cornwall College in the provision of vocational courses for students between the ages of 14 to 19. Courses are arranged on a collaborative approach and reviewed annually. This effective collaboration has enabled investment via central government grant funding in a shared four class new build resource block named the Atlantic Centre providing a site for course delivery and wider educational and community use.

Kernow Collaborative Trust (KCT) – This is an ‘Umbrella Trust’ consisting five Newquay academies of which Newquay Tretherras and Newquay Junior Academy are two, St Columb Minor Academy and St Columb Major Academy and Charlestown Primary School. The Kernow Collaborative Trust has been recognised by the Department for Education as a group with capacity to sponsor academies (three having been sponsored during the 2013/2014 year) and assist with developmental support and direction. The group, which directly educates over 3000 pupils, has determined that all academies in the trust will support each other in their school improvement and development.

Newquay Learning Partnership – as one of 15 schools and academies in the Newquay area the partnership seeks to drive improvement in pupil achievement. This is accomplished by collaborating to share good practice, engaging the wider community in learning together and developing opportunities for excellence. The Newquay Sports Network is a prime example of collaboration in practice.

Tempus Leisure Limited (a charitable trust) – joint use arrangement of the Newquay Sports Centre for curriculum, extra-curricular and celebratory activities e.g. award ceremonies.

#### **Objectives and activities**

##### ***Objects and aims***

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

The school curriculum at both centres aims to inspire and challenge all learners and prepare students for the future. The curriculum supports students in becoming confident individuals, responsible citizens and successful learners who can fulfil their early promise and latent potential within and beyond the classroom. Specialist extra help and support is offered for those with special needs and barriers to learning.



# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### ***Objectives, strategies and activities***

Newquay Junior Academy and Newquay Tretherras have a long standing history of very close partnership with a shared ethos of caring "family" relationships. The vast majority of Newquay Junior Academy pupils continued their education at Newquay Tretherras and a formal structure was created in September 2014 to capitalise on these very powerful links so that education is a seamless and continuous journey from 7 – 19. NET's vision is to create a holistic educational provision which is "greater than the sum of its parts." We want our young people to become happy, healthy, fulfilled and well educated human beings, capable of enriching and improving their communities. The creation of NET enables both academies to share resources and create efficiencies in a self-improving, school-led system. Whilst Newquay Tretherras and Newquay Junior Academy will initially work together within one Academy Trust, NET is wholly committed to working in close partnership with other MATs, Academies and schools, and intends to use its talent, expertise and capacity to sponsor other schools.

### **Aims and purposes:**

- To build on the successes of all academies to create an innovative and exciting educational provision with a family centred ethos in which young people of different ages and generations learn from and support each other;
- To create an outstanding and vibrant approach to teaching and learning across all year groups;
- To foster a culture of high aspiration and success for all, with equality and inclusion at its heart, so that no child is left behind or prevented from fulfilling their potential: particular attention will be paid to students who are most vulnerable, especially in our rural/ coastal communities;
- To sustain outstanding attainment and progress for every learner in order to raise standards from KS2 – Post 16, so that all students make increased and more rapid progress, thus avoiding performance dips and gaps;
- To provide challenge and support with bespoke provision to enable students to move from dependence to independence, and increased autonomy and mastery over their own learning;
- To design a holistic, world class curriculum focused on raising aspiration and developing skills for the 21st Century;
- To extend the "educational family" ethos of both academies in which senior students mix freely with younger pupils, acting as leaders, mentors, champions, role modelling success so that younger students become aspirational and confident about their futures;
- Our model is based on a "schools within schools" structure with each phase of education building successively and progressively on the last.

## **Newquay Education Trust**

### **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

#### Strategy:

- To share and target expertise amongst staff, students and parents across a wider pool, and, using our lead status within The Kernow Teaching School Alliance (KTSA), become a powerful learning community dedicated to researching and learning from the very best. NET is in a position to support and sponsor other schools in a period of rapid and complex educational change.
- To offer staff access to the highest quality professional development and leadership training across key stages through the KTSA and establish NET as an employer of choice, thus securing the highest calibre of teachers, leaders and support staff.
- NET will achieve greater economies of scale, greater financial efficiency and best value through joint planning and procurement. Robust and proven policies will be implemented for the benefit of all academies in the following areas:

- o Special Educational Needs
- o Behaviour, Safety and Safeguarding
- o Literacy, Numeracy, and core learning skills
- o Pastoral Care and Guidance.
- o Assessment, data tracking, monitoring and intervention
- o Curriculum
- o Human Resources, including sharing, deploying and CPD
- o ICT and Communications
- o Information/Data Systems
- o Financial Management / Accounting / Administration / Estate Management / Asset Management / Procurement / Contract Management
- o Single teams for Catering, Caretaking, Cleaning, Grounds, Buildings and Maintenance
- o Creating a single Capital Estate Strategy.

#### ***Public benefit***

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### **Strategic Report**

#### **Achievements and performance**

In the year 2014-2015 Newquay Education Trust has:

- Established a highly experienced and well qualified Board of Trustees
- Established a very experienced Executive Team
- Set up the Kernow Teaching School Alliance and appointed the Director
- Restructured and trained Senior and Middle Leadership Teams
- Devised strong Governance and leadership structures with clear lines of accountability
- Created central services teams to achieve greater economies: Finance/ HR/ Catering/ ICT/ Website and phone system/cleaning
- Approved central NET wide policies: HR/ PP/ Safeguarding/ SEN/ Redundancy/Performance Review/Pay and Remuneration
- Used a common approach to Data & Assessment/Monitoring, Evaluation and Reporting and written a common NET policy for "Life after Levels"
- Planned joint teaching of Literacy across both academies
- Prepared Cost Savings Plans for both academies
- Conducted staffing reviews using a new HR provider
- Secured Priority Schools Building Programme Phase 2 for rebuilding significant parts of NT
- Secured CIF funding for window replacement at NJA and refurbishing Science Labs at NT
- Agreed the funding for and begun the process of building a new Sports and Arts hall at NJA
- Written and submitted the Sponsor Application
- Become the STEM Champion School for the Enterprise Zone with the Executive Headteacher sitting on the EZ Board, and submitted proposals for actions and funding
- With Trenance Learning Academy Trust, submitted innovative proposals to the Council to address the shortage of reception places in Newquay
- Met with the Cornwall Council and Town Council to express an interest in the joint running of Newquay Sports Centre
- Taken a lead in the Cornwall Sixth Forms Together (CSFT) Group
- Designed and launched an Integrated Health Centre on the former Happy Days Nursery site
- Hosted visits by the (former) Deputy Prime Minister and Chair of Cornwall's Local Enterprise Partnership (LEP)
- Conducted a successful external review of safeguarding across the Trust and completed the Action Plan ( a review of PP has been commissioned)
- Successfully introduced PIXL as part of our improvement strategy across both academies
- Recruited successfully to both academies for September 2015
- Participated in the Newquay Neighbourhood Plan
- Launched new website and learning platform
- Restructured and greatly improved the dining facilities, provision and take up at Newquay Junior Academy through the work of the school council.

# Newquay Education Trust

## Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

### Strategic Report

#### Academic performance in 2014

#### Newquay Tretherras Attainment (Key Stage 4)

Attainment	KS4 % 5+ A-C GCSE including English and Maths (with equivalents)	2013 KS4 (%) Progress (3)		2014 KS4 (%) Progress* (3)	
	2014 (1)	En	Ma	En	Ma
LA mean avg.	55	72	70	71	65
Nat. mean avg. (EBacc)	55 (24)	71 / 56	72 / 54	70 / 58	65 / 48
School/Pupil Premium (total cohort/ receiving PP)		71 / 49	70 / 49	65 / 51	74 / 64
EBacc/ PP EBacc (2)	32 / 26	-	-	-	-
Nat median avgs (for floor std)	40	73	73		

#### Data Explanation

(1) Headline measures in 2014 have been affected by national changes. Rules such as 1st entry only counting and GCSE equivalent qualifications only counting for 1 GCSE, through the Wolf Review, have seen the national figures reduce in 2014. This means that analysis across years should not be made but instead observe the difference from the national average in each year. The data above evidences performance once again above the national average.

(2) EBacc figures have increased steadily due to an increased focus on a curriculum which allows students to succeed in facilitating subjects. The gap between pupil premium students and 'others' has closed significantly in the last year and disadvantaged students are outperforming their peers nationally, by around 9 percentage points.

(3) The extra figures in the national box, the 58% and 48% respectively for English and maths, show the national pupil premium figures, for comparison purposes. The drop in progress in English was due to changes in the year before, as well as the decision to not move to the iGCSE which produced far higher results. The maths progress figures saw a strong increase, relative to the national figures which took a drop due to the first entry rule, despite which the school figures continued to increase.

Strong Value Added for the 2014 cohort, with a score of 1006.3, was aided by strong performance across a wide range of subjects including Science which was in the top 10% nationally and maths value added which was also significantly above national averages.

## Newquay Education Trust

### Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

#### Strategic Report

##### Year 11 2014/15 KS4 Forecasted Headlines

	NT 2014	National Average 2014	NT 2015 Forecast
5+ A*-C incl E&M	57.2%	55%	60.3%
English Baccalaurate	31.7%	24%	21.0%
5+ A*-A	16.6%	21.1%	18.7%
5+ A*-C	70.8%	64%	73.0%
5+ A*-G	96.3%	92%	96.6%
English A*-A	12.2%	15%	23.2%
English A*-C	60.1%	67%	73.8%
English 3+ Levels Progress	65.4%	70%	78.2%
English 4+ Levels Progress	26.0%	32%	32.7%
Maths A*-A	17.7%	18%	17.6%
Maths A*-C	76.4%	67%	70.4%
Maths 3+ Levels Progress	73.5%	65%	66.2%
Maths 4+ Levels Progress	27.2%	29%	27.1%
Overall Value Added (Best 8)	1006.3	1000.0	1006.8

##### Key Stage 5 2014 Data Analysis

Cohort	A Level	A Level (FTE)	Vocational	Vocational (FTE)
110	79	70.7	48	38.7

##### A Level

This year has seen a rise in the Average Point score per entry and per student. This comes in a year where the national figures have not increased and even dropped in the 'per student' measure. The figures are still below the national averages so this is clearly an aim for the coming year.

Year	School	A Level		Per Student (FTE)		
		Per Entry	England	School	Cornwall	England
2013	191	212	216	664	789	797
2014	202	214	215	669	772	787

Whilst Newquay Tretherras had an A Level cohort of 79, only 61 of these were A Level only students (i.e. 18 were on a mix of academic and vocational courses). This may not be the case in some other schools where they don't mix courses for students.

## Newquay Education Trust

### Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

#### Strategic Report

A Level	Number of Students	Percentage	Percentage based on the 61 students
1+ A*-B	41	52%	62%
2+ A*-B	23	29%	38%
3+ A*-B	10	13%	16%
AAB+ (including 2+ facilitating subjects)	5	6%	8%
AAB+ (including 3+ facilitating subjects)	5	6%	8%

The AAB+ figures above are up to 6% in both measures, from 2% and 1% respectively last year. The national figures remain higher than this at 11.6% and 7.4% - Cornwall is similar on 11.3% and 7.5%.

#### Vocational

Vocational Year	School	Per Entry			Per Student (FTE)		
		Cornwall	England	School	Cornwall	England	
2013	229	218	214	747	614	562	
2014	219	219	217	690	593	560	

The vocational figures have dropped slightly this year although this is still above the national figures. Those on the courses need to continue to be monitored to ensure that this does not become a downward trend and the provision is correct for them.

#### Progress

To analyse progress for our Post 16 students, Newquay Tretherras uses both Alps and Level 3 Value Added in an attempt to triangulate the data. Alps targets are now shared with teachers and students and monitored throughout the year to identify under-performance as soon as possible.

#### Academic VA score:

-0.11 based on 275 entries is judged as statistically below average (the upper confidence interval is -0.01). The VA score was -0.13 in 2013 which shows a small degree of progress.

#### Vocational VA score:

-0.21 based on 48 entries is judged as statistically not significant (broadly in-line). The VA score was -0.16 in 2013. This shows there is still some work to do.

# Newquay Education Trust

## Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

### Strategic Report

#### Newquay Junior

Attainment	KS2 % L4 in Reading, Writing & Maths		2014 KS2 Progress (%)			2014 KS2 progress (%) Provisional results			
	2014	2015	Re	Wr	Ma	Re	Wr	Ma	
LA mean avg.	77	na	90	93	88	na	na	na	
Nat. mean avg.	78	na	91	93	90	na	na	na	
School/Pupil (total cohort/ PP)	Premium receiving	78/66	80/59	90/94	88/82	92/85	87/84	94/86	84/76
L5+/PP L5+	24/20	19/11	-	-	-	-	-	-	
Nat median avgs (for floor std)	65	-	-	-	-	-	-	-	

#### Data Explanation

Note: comparisons against 2015 National / LA benchmarks currently not available.

- The improving trend in Average Point Score (APS) attainment is sustained in 2015. APS in all subject areas are likely to be all in line with / or exceed national averages. The Academy has sustained this level of above national average attainment since conversion in 2011.

- Overall Combined L4+ achievement (80%) has increased year on year and is indicative of being above national average benchmarks.

- A drive to raise standards further in Writing has resulted in the percentage of pupils making and exceeding expected progress increased significantly. From on-entry KS1 data the percentage of pupils making 2 levels progress was 94% (99% based on internal data) and those making 3 levels progress was 26% (39% based on internal data). The progress made by boys / boy pupil premium children is a key highlight of this cohort.

- Percentage of pupils achieving at L4+ and L5+ is again strong in Reading (91% / 41%), Writing (90% / 33%) and SPaG (83% & 51%) for all groups including pupil premium and gender performance groups. In Numeracy L4+ (85%) and L5+ (41%) attainment is in line with historical national benchmarks. There was a slight dip against targets in the percentage of pupils making expected progress (84%). However the number of pupils making better than expected progress has increased to 37%, resulting in 16% (24 pupils) achieving Level 6.

# Newquay Education Trust

## Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

### Strategic Report

#### **KS2 2014 Headline Standards:**

- All 2014 KS2 standards are at least in line with or above national averages, including those for combined Writing, Reading and Numeracy attainment. All L4+ Standards are above national averages, and all L5+ standards are above national averages, except writing.
- KS2 standards over the last 3 years remain in line, and in many areas well above, national attainment figures. Overall L4+ & L5+ attainment for Reading, SPaG and Numeracy increased year on year.
- L5 Achievement in Numeracy 51.4% compared to national average of 40% (year on year increase of 11.4%).
- Although as a standalone Junior School the KS1 to KS2 data shows the proportion of pupils making 2 levels progress is 90% or higher in all subjects (Writing, Reading & Numeracy), externally moderated in-school progress data accurately indicates even stronger value added progress for this cohort over KS2 for all subjects.
- Reading attainment for L4+ & L5+ is above national figure for the last 3 years. 90% of pupils making 2 levels progress, 27% making 3 levels progress over KS2.
- Disadvantaged pupil achievement is well above the national figures for L4+ and L5+. The Academy has successfully closed the gap in achievement between disadvantaged / advantaged pupils by 36% in Reading and 43% in writing for this cohort since 2011.

#### ***Going concern***

The Board of Trustees has reasonable expectation, together with financial reassurance from Responsible Officer and Auditor reports, that Newquay Education 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.

The Board of Trustees appreciates that funding levels from the central government are starting to decrease at a time when costs are rising. Projections indicate that prudent financial management will be required in coming years to ensure the long term sustainability of high quality educational provision.



# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### **Strategic Report**

#### **Financial review**

Budget projections for Newquay Education Trust indicated an in year deficit of £745,700 for the 2014/15 academic year and further in year deficits for the following two. This has been a strategic decision by the NET Board (and the two governing bodies prior to amalgamation into NET from September 2014) to utilise high levels of reserve balances to invest in the infrastructure of the two distinct sites and supporting other school improvement priorities.

The infrastructure improvements include:

- Match funding of EFA ACMF grants in ceilings, heating and lighting schemes
- Continuation of ICT improvements programmes
- Match funding of EFA CIF schemes including refurbishment of 50% of specialist Science facilities at the secondary site and window replacement scheme at the Junior site
- A very large commitment towards the construction of a new hall circa £528k at Newquay Junior (>90% funded from reserves) that is considered essential to respond to immediate needs of expressive arts, PE and suitable for collective worship, and to respond to pressure of pupil capacity.

The above capital works programmes follow on from other investments made since academy conversions in 2011, including match funding towards successful ACMF grants assisting with window walling replacements, asbestos removal, flat roof renewals, and heating plant upgrades.

The NET Board is very cognisant of the pressure that Newquay educational centres are facing with the considerable gravity on place planning as a result of the substantial demographic growth. With both NET sites being very highly regarded in the community and consistently over-subscribed, the need to ensure facilities are fit for purpose, have capacity to meet demand and are bright and engaging for all is of paramount importance.

Investment in both sites is also at a time when staffing pressures are becoming acutely significant with further pressures coming to the fore in changes to pension contributions and NI rates over the next 12 months onwards. Both NET and the predecessor single academies have consistently committed large sums in employing high-calibre staff to meet the identified improvement priorities and allow flexibility in the structure to give students a broad, exciting and successful educational experience with as much targeted support as possible.

The Board aims to keep this same ethos at its core but also realises that the investment approach will need to be closely reviewed in order that the staffing structure does not become an excessive burden that threatens the long term viability of the trust. To this end a review of the staffing needs has commenced with the aim to align the staffing budget more closely to national ratios and in doing so ensuring that in year deficits are removed except in exceptional circumstances or where one-off infrastructure investment/improvements are deemed essential.

The Board is aware that the Newquay Tretherras site has been successful in securing a Priority Schools Building Programme (Phase 2) bid from the EFA for refurbishment and rebuilding of large parts of its site. This will be an important project for the Senior Leadership Team to carefully manage over the coming years.

# Newquay Education Trust

## Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

### Strategic Report

#### *Financial and risk management objectives and policies*

Operational risks are managed and controlled through a number of mechanisms including clear induction and training programmes, detailed policies and procedural guidelines, effective strategic leadership at executive level, regular meetings of staff and trustees, and purchase of professional services as required. Regular monitoring at different levels provides systems for early warnings and effective options for remedial action.

Compliance risks are managed through a number of areas including continual training and development, attendance at meetings and seminars, purchase of professional services such as legal, property and finance etc, review and dissemination of guidance as appropriate, and registration with professional bodies.

A range of risks and uncertainties that NET will focus on over the coming years include:

#### Newquay Tretherras

- To continue maintaining the school's popularity and oversubscription in Year 7 and in Year 12 to an eventual PAN of 300 and a Sixth Form of 300.
- To continue to raise levels of achievement in the Sixth Form to above local and national averages and increase the percentages of students gaining high grades to the national average. (OFSTED Action Point).
- To secure Outstanding Teaching and Learning through improving and coordinating the Marking and Feedback Policy and monitoring closely its implementation across the academy. (OFSTED Action Point).
- Monitor, support and closely evaluate the progress of English at KS4 given the issues experienced with syllabus changes, staffing issues and the current trajectory of results.
- To continue supporting and challenging 'at risk' KS4 subjects: Drama, History, DT and Computing so that levels of achievement rise above national averages and levels of progress are consistently above national averages.
- To ensure there is a holistic offer of enrichment/aspiration and high achievement for the most able learners and ensuring that they reach their full potential. (OFSTED Action Point).
- To improve and consolidate the improvement strategy for Pupil Premium students and their families.
- To introduce and closely monitor a comprehensive Homework and Assessment Policy and Strategy leading to improved communication between home and school.
- To secure Outstanding in Behaviour and Attendance through close monitoring of the impact of intervention strategies and the implementation of the Behaviour and Attendance Policy.
- Explore, develop and create a new Integrated Health Hub on the Happy Days site.
- Create a new Assessment Policy in the light of new changes to GCSE and KS3 assessment.
- Create a fully costed and balanced 5 year budget plan which demonstrates cost savings and takes into account declining levels of funding over the next five years.
- Continue to improve the site and facilities through the preparation of bids and the investigation of other means of funding.

# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### **Strategic Report**

Newquay Junior Academy

- Further grow and develop the organisation as part of NET to maintain NJA as first choice of schooling in the Newquay area and to meet and exceed the current 600 NOR.
- Devise an effective and robust pupil/cohort data tracking and reporting system which enables staff at all levels to monitor and track pupil progress, and devise appropriate interventions.
- Develop the roles, skills and capacity of the personnel in the new SLT/LT teams in order that they can undertake their strategic roles and accept a greater level of accountability and thereby secure continued Academy improvements.
- Improve the Combined Age Related Reading, Writing and Numeracy scores to above the National Average.
- Ensure a whole Academy approach to Behaviour, Attendance and Punctuality through leading a new academy strategy involving close monitoring and regular intervention of all groups. The target will be a minimum of 95% attendance.
- Create a costed Pupil Premium Action Plan for publication on the website, monitor its progress and outcomes and write a report to Directors setting out the impact of the Pupil Premium spend for the academic year.
- Devise a 'More Able' Children Policy and strategy for NJA, designed to provide aspiration, enrichment, challenge and opportunity for MABLE students at NJA.
- Develop, introduce, establish, review and refine a Teaching and Learning Policy and Framework across NJA which will include a shared approach to Marking, Feedback and Assessment. The target will be to achieve an overall Grade 1 in T&L which will be reviewed at the end of the year.
- Devise a collaborative CPD and coaching model/Action Plan for NJA which is closely linked to Performance Management/Teachers Standards/Threshold Standards and the priorities set out in the School Development Plan.
- Grow the School Direct Teacher Training model from its first phase through strategic leadership and developing delivery capacity in others across the KTSA/KCT in collaboration with key members across the NET, KTSA and KCT.

#### ***Reserves policy***

In accordance with Newquay Education Trust's Financial Regulations & Scheme of Delegation reserves are reviewed at least annually - this normally being at the budget setting time i.e. June, although in practice close observation is kept on reserve and other balances throughout the year.

Movement to or from one or more specific reserves must be approved by the Finance & Estate Committee.

As at 31 August 2015 Newquay Education Trust held £1,730k in free, unrestricted reserves. The Board of Trustees is regularly updated on a wide range of site development options. The Board wishes to establish modern, fit for purpose, 21st Century educational facilities that will enhance the educational experience for all students for the foreseeable future. Reserve levels are being carefully monitored as indications suggest that these will be needed to soften the dual impact of potential funding cuts at a time of increasing costs. Previous usage of reserves to supplement high cost one off capital schemes may not be easily viable in forthcoming years but this will be subject to many critical factors.

# **Newquay Education Trust**

## **Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)**

### **Strategic Report**

#### ***Investment policy***

In accordance with Newquay Education Trust's Financial Regulations & Scheme of Delegation the Executive Headteacher does not have authority to invest any funds except with express approval of the Board of Trustees through the Finance and Estate Committee and in accordance with the Academies Financial Handbook.

The Executive Headteacher will, on behalf of the Board of Trustees, and through the Director of Finance & Estate operate the bank accounts in which official monies are held, in accordance with agreed arrangements.

#### ***Plans for future periods***

NET aims:

- To retain and regain Outstanding OFSTED ratings in both academies
- To be an outstanding highly regarded Academy Sponsor, taking on one sponsored Academy in 2015-16. Two further academies (in 2016-17, and 2017-18) will be considered if two more Good/ Outstanding Academies join NET to add further capacity
- To be a nationally regarded Teaching School Alliance
- To achieve local and national recognition as a STEM Education Champion within the EZ and LEP structure, and will set up a STEM Hub for the wider community.
- To be recognised by the DfE for innovative cross phase provision which addresses performance dips and gaps
- To bid for Targeted Basic Need Funding to accommodate KS2 on the Newquay Junior Academy site and Year 6 on the Newquay Tretherras site
- By 2018 Newquay Tretherras will grow towards 1800 and Newquay Junior Academy will grow to 600
- Newquay Tretherras 6th Form College will be a strong and sustainable 6th form of at least 300
- To develop outstanding facilities across both sites, including new sports facilities at Newquay Tretherras
- To secure balanced budgets in all academies with long term sustainable budget plans.

## Newquay Education Trust


### Trustees' Report for the period from 26 March 2014 to 31 August 2015 (continued)

#### Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 members of the Governing Body, as the company directors, on ~~10/12/15~~ and signed on its behalf by:

  
MS SARAH KAZKEEK  
Trustee

# Newquay Education Trust

## Governance Statement

### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mrs Sue Martin, 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 Newquay Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 8 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms Sarah Karkeek	7	8
Mr Steven Dunn	6	8
Mr Nicholas Jenkin	6	8
Mr David Linnell	6	8
Mr Ashley Mann	7	8
Mr Philip Mason	6	8
Mrs Mary-Rose Merrin	8	8
Mr Sebastian Parker	5	8
Mr Alan Brown	7	8

# Newquay Education Trust

## Governance Statement (continued)

The Governing Body is able to provide assurance over the suitability of, and compliance with, its financial systems and controls via the following:

All areas of the budget are very closely monitored by the academy's finance team including:

- Director of Finance & Estate
  - Assistant Finance & Estate Manager
  - Finance Assistant and apprentice
  - Lettings Manager
- In accordance with the documented Financial Regulations and Scheme of Delegation separation of duties across budget holders, the leadership and finance teams in terms of authorisation, responsibility and accountability.
- On a monthly basis, the full Board of Directors are involved in reviewing progress against finance and site improvement plan activities. Decisions are made as the plan progresses as to whether financial resources are being used appropriately or whether there is a need to divert funds to target other areas if priorities change.
- Regular financial audits are undertaken by an independent Responsible Officer with reports shared with directors.
- Department managers and other budget holders receive termly budget reports and are responsible for managing and implementing their budget spending. They use their allocated budget to resource their areas of responsibility according to their individual action plans which are discussed with the Director of Finance & Estate.
- Detailed annual audit by the academies independent Accountants (Francis Clark LLP) and reports discussed and signed off by the Board of Directors.
- The Risk Register is reviewed annually to ensure the broad range of risks are monitored and ensure mitigation arrangements are in place where appropriate.

The Audit Committee is a sub-committee of the main Governing Body. Its purpose is to review the RO reports and any other reports relevant to the internal and external audit of the multi academy trust. Attendance at meetings during the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Sebastian Parker	2	2
Mr Ashley Mann	2	2
Mrs Mary-Rose Merrin	2	2

# Newquay Education Trust

## Governance Statement (continued)

### Review of value for money

As accounting officer the Executive 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 available.

The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Improving educational results: The trust has a constant focus on continuous school improvement, whereby all efforts are on maintaining and improving the educational outcomes for all our pupils. Our Strategic Development Plans, focus on the continuous improvement of educational provision and achievement outcomes, set out our priorities and actions for each academic year. The members and trustees of the trust are actively involved in the formulation and implementation of these plans. Appropriate resources are deployed to these plans and personnel identified to lead the actions within agreed timescales.

Aligned to the day to day working of the academies, where pupil progress is a constant focus, is a rigorous Assessment and Pupil Progress system based on setting aspirational targets:

- On a half termly basis attainment and progress data is reviewed and analysed by teachers, year groups and Senior Leadership. This, together with leadership judgements of the quality of teaching and learning, enables staff and trustees to have a whole trust view of achievement (attainment and progress) for all pupils and population groups that the Trust tracks and monitors.
- Data analysis meetings are held with curriculum and year teams regularly to discuss the on-going attainment and progress of each pupil and pupil groups, including Pupil Premium funded pupils.
- We identify pupils who need specific interventions such as enrichment or support through long, medium and short term processes and strategic planning.
- Leadership Teams meet regularly to review approaches to teaching and learning, subject knowledge and related CPD activities, as well as intervention and enrichment to ensure there is continuity of expectation and provision
- The senior leaders responsible for assessment monitor interventions and have on-going professional dialogues with staff and students involved in intervention to ensure each child's needs are being met.

The Pupil Premium Evaluation Reports published on our websites are a good example of how we understand our accountability to the members of our community and evaluate value for money against all of our intervention strategies and then take action accordingly.



# Newquay Education Trust

## Governance Statement (continued)

### Targeted investment & New initiatives

- The trust, through detailed planning and monitoring by the SLT, Leadership and approval by the trustees, has kept the staffing structure under constant review and deployed staff efficiently to support an enhanced curriculum
- The Trust is always looking for ways to improve all aspects of our provision and ensure good value for money. A number of services are now in place offering multi-site support in the area of ICT, HR, Data and Finance.
- Site improvements are strategically essential in response to modernisation, structural maintenance and capacity issues with a range of works completed or currently under contract. Other major development works are being considered on the basis of further CIF grant funding supported by reserves, and the Priority Schools Building Programme (Round 2).
- In addition to this the Trust continues on a programme delivering a challenging and ambitious Strategic IT infrastructure project. Capital DFC funding and reserve balances are being used to fund this investment.

### Focus on pupils

- The trust has managed differing needs of pupils through the use of the Learning Support team for those requiring one to one, small group, or cross team support. A Pupil Premium Mentor, a Parent Support Adviser and other support staff monitor the progress and attendance of vulnerable students regularly.
- The trust has run summer schools over the last three summers.
- The trust has also continued to run Youth University weekend events during September for year 5 and 6 students from all the feeder primary locations. This enables students to integrate with peers from outside of their own friendship groups.
- Curriculum departments run numerous after school exam study and catch-up/refresher sessions to prepare students for the challenge of public examinations.
- The trust offers many of the feeder schools outreach support with core subjects of English, Maths and Science and this is helping those schools produce many students with attainment levels one or two above national averages.
- The trust offers an extensive range of after school activities and Outdoor Learning activities that provide a quality enrichment programme that was fully acknowledged in the Ofsted inspection in 2013.

### Collaboration (Economies of scale)

- NET is the lead organisation within the Kernow Teaching School Alliance. The Principals/Headteachers and senior leaders meet regularly to discuss school improvement issues. We share research findings on best educational practice. We also share practice from within each of the academies and evaluate the effectiveness of this in terms of cost and attainment.
- We plan and undertake shared staff training and CPD.
- The academies within the KTSA ensure a shared understanding of standards.
- With the direct involvement and leadership of the Business Managers from the former Kernow Collaborative Trust we have worked to negotiate and procure service contracts across the group. Such economies of scale are now leading to considerable value for money benefits both in terms of quality of service and in cost management.
- The trust's Director of Finance & Estate is a member of the Cornwall Association of School Business Managers (CASBM), NASBM (National Association of School Business Managers) and ASCL (Association of School and College Leaders). CASBM provides a platform for local business managers to meet regularly and discuss a broad range of matters including finance, vfm, contracts and contractors, opportunities and threats, and generally work together to aid improvements across the educational establishments (maintained, academy and private) throughout Cornwall, including bulk procurement opportunities.

# Newquay Education Trust

## Governance Statement (continued)

- As an Academy we have a duty to support schools. As a National Support School (NSS) the same applies. As a National Leader in Education (NLE) the Executive Headteacher has a responsibility to help others by using the Trust, its staff and her personal skills to improve standards in our own and others' establishments. The Chair of the Board has also recently been awarded National Leader of Governance (NLG) status.

- Utilisation of other community facilities such as the local Sports Centre to enhance curriculum learning opportunities, whilst the charge levied on Newquay Tretherras provides an essential revenue income to support sustainability of community facilities.

Quantifying improvements

- We rigorously evaluate the effectiveness and impact of training, developments in teaching and learning and interventions through an analysis of data, attendance and behaviour. The Academies in the trust continually achieve above local and national averages.

### Financial governance and oversight

- Trustees actively advise and challenge financial activities at monthly scheduled Board meetings and receive budget statements and reports. Trustees are therefore able to monitor and scrutinise the performance of the trust with respect to budget performance and in so doing ensure that the trust effectively manages spending. This further enables the trust to achieve optimum value whilst providing the best learning opportunities and curriculum provision.

- In accordance with Academies Financial Handbook and their own Financial Regulations and Scheme of Delegation the Trustees and Trust leadership will apply the principles of best value when making decisions about: the allocation of resources to best promote the aims and values of the Trust, the targeting of resources to best improve standards and the quality of provision and the use of resources to best support the various educational needs of all pupils.

### Benchmarking

- The trust has historically used national benchmarking data to compare costs against similar academies (although this data is becoming more problematic to gather) plus undertaken a year on year analysis of the trust's own financial performance.

- Procurement benchmarking is also a key tool in ensuring vfm and, in line with the trustees' Financial Regulations and Scheme of Delegation, tenders or quotes are obtained from a range of suppliers before purchasing decisions are made.

### Better purchasing - Fitness for purpose

- The Trust has used a property specialist to assist in a range of buildings and sites improvements including:

- o Condition Improvement Fund (CIF) works through tendered contracts and robust project management.

- o Managing property compliance contracts approved for a period of 2 years based on quotes submitted by a range of specialist contractors.

- The Director of Finance & Estates and Headteacher annually review all the Service Level Agreements, either purchased via the council or externally, to ensure value for money.

- Options appraisal: We actively look at the options available when purchasing goods and services. This is especially relevant for high-value procurement e.g. capital works relating to ICT infrastructure improvements and the site development refurbishments.

### Better income generation

- The Director of Finance & Estate has a remit to generate additional income for our trust.

- o The use of trust sites for external lettings.

- o Applications to the Condition Improvement Funds with successful bids for new windows and Science block partial refurbishment.

- Through the Executive Headteacher's role as a National Leader in Education (NLE), the function of the Academy as National Support School and through the work and deployment of our Specialist Leader in Education (SLE) we have generated additional income for the trust via school improvement work and initiatives.

# Newquay Education Trust

## Governance Statement (continued)

### Reviewing controls and managing risks

- All areas of the budget are very closely monitored by the trust's finance team including:
  - o Director of Finance & Estate
  - o Assistant Finance & Estate Manager
  - o Finance Assistant and apprentice
  - o Lettings Manager
- Separation of duties across budget holders, the leadership and finance teams in terms of authorisation, responsibility and accountability.
- On a monthly basis, trustees are involved in reviewing progress against our finance and site improvement plan activities. Decisions will be made as the plan progresses as to whether financial resources are being used appropriately or whether there is a need to divert funds to target other areas if priorities change.
- Department managers and other budget holders receive regular budget reports and are responsible for managing and implementing their budget spending.
- Regular financial audits are undertaken by an independent Responsible Officer with reports shared with trustees.
- Detailed annual audit by the academy's independent accountants (Francis Clark LLP) and reports discussed and signed off by the Board.
- The Risk Register is reviewed annually to ensure the broad range of risks are monitored and ensure mitigation procedures are in place where appropriate.

### Lessons learned:

- Over the past few years we have learned that with greater autonomy over our finances and assets we have been able to achieve excellent value for money. This is evidenced in many of the examples within this report.
- Increased collaboration with partner academies:
  - o a greater focus on school improvement and thereby outcomes for pupils in our trust as well as in our partner schools.
  - o joint work at Business Manager level offering greater economies of scale.
- Collaboration with the private sector to improve the quality of grant applications (CIF and PSBP2) that will attract funding levels to assist the strategic site development plans.
- It is not feasible to change/improve everything immediately but a clear strategic plan is essential to prioritise investment.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Newquay Education Trust for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

# Newquay Education Trust

## Governance Statement (continued)

### 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 Governing Body;
- regular reviews by the Governing Body 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 Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Mrs V Crabb as responsible officer (RO)

The RO'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 include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

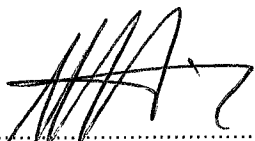
### Review of effectiveness

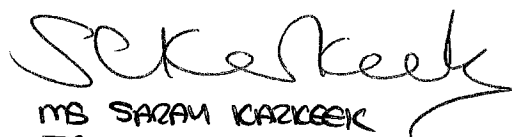
As Accounting Officer, Mrs Sue Martin has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment 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 Audit Committee Governing Body and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 10/12/15... and signed on its behalf by:

  
.....  
MRS SUE MARTIN  
ACCOUNTING OFFICER

  
MS SARAH KARKER  
TRUSTEE

**Newquay Education Trust**

**Governance Statement (continued)**

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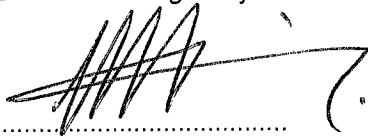
## Newquay Education Trust

### Statement on Regularity, Propriety and Compliance

As accounting officer of Newquay Education Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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 Governing Body and EFA.



.....  
Mrs Sue Martin  
Accounting officer

Date: 10/12/15

# Newquay Education Trust

## Statement of Trustees' Responsibilities

The Trustees (who are 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 2014 to 2015 issued by the Education 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and 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; and
- 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 the EFA/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 Governing Body on 10/12/15... and signed on its behalf by:

  
.....  
MS SARAH KARKREEK  
Trustee

# **Newquay Education Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Newquay Education Trust**

We have audited the financial statements of Newquay Education Trust for the period from 26 March 2014 to 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 29), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.



## Newquay Education Trust

### Independent Auditor's Report on the Financial Statements to the Members of Newquay Education Trust (continued)

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

We have nothing to report in respect of the following matters where 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.

*Francis Clark LLP*

Michael Scott Bentley (Senior Statutory Auditor)  
For and on behalf of Francis Clark LLP, Statutory Auditor

Lowin House  
Tregolls Road  
Truro  
Cornwall  
TR1 2NA

Date: *16/12/15*

## **Newquay Education Trust**

### **Independent Reporting Accountant's Report on Regularity to Newquay Education Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 12 November 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newquay Education Trust during the period 26 March 2014 to 31 August 2015 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 Newquay Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Newquay Education Trust and the EFA 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 Newquay Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Newquay Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Newquay Education Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 26 March 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency. 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:

- Inspection and review of documentation providing evidence of governance procedures.
- Evaluation of the system of internal controls for authorisation and approval.
- Performing substantive tests on relevant transactions.

## Newquay Education Trust

### Independent Reporting Accountant's Report on Regularity to Newquay Education Trust and the Education Funding Agency (continued)

#### Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 26 March 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Francis Clark CP*

Michael Scott Bentley

For and on behalf of Francis Clark LLP, Chartered Accountants

Lowin House  
Tregolls Road  
Truro  
Cornwall  
TR1 2NA

Date: *16/12/15*

## Newquay Education Trust

### Statement of Financial Activities for the Period from 26 March 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Transfer on conversion	2	1,709,072	(1,494,744)	18,946,500	19,160,828
Other voluntary income	2	7,643	9,534	-	17,177
Activities for generating funds	3	232,621	-	-	232,621
Investment income	4	13,261	-	-	13,261
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy Trust's educational operations	5	260,051	10,661,537	411,130	11,332,718
<i>Other incoming resources</i>					
Other incoming resources	6	76,426	-	-	76,426
Total incoming resources		<u>2,299,074</u>	<u>9,176,327</u>	<u>19,357,630</u>	<u>30,833,031</u>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Fundraising trading		64,281	15,145	-	79,426
<i>Charitable activities:</i>					
Academy's educational operations		279,956	11,024,224	501,058	11,805,238
Governance costs	9	-	20,150	-	20,150
Total resources expended	7	<u>344,237</u>	<u>11,059,519</u>	<u>501,058</u>	<u>11,904,814</u>
Net incoming/(outgoing) resources before transfers		1,954,837	(1,883,192)	18,856,572	18,928,217
Gross transfers between funds		<u>(17,669)</u>	<u>(65,154)</u>	<u>82,823</u>	<u>-</u>
Net income/(expenditure) for the period		1,937,168	(1,948,346)	18,939,395	18,928,217

## Newquay Education Trust

### Statement of Financial Activities for the Period from 26 March 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension schemes	27	-	8,000	-	8,000
Net movement in funds/(deficit)		1,937,168	(1,940,346)	18,939,395	18,936,217
<b>Reconciliation of funds</b>					
Total Funds/(deficit) carried forward at 31 August 2015		1,937,168	(1,940,346)	18,939,395	18,936,217

All of the Academy Trust's activities derive from acquisitions in the current financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

On 1 September 2014 Newquay Junior Academy and Newquay Tretherras transferred all the operations and assets and liabilities to Newquay Education Trust for £Nil consideration.

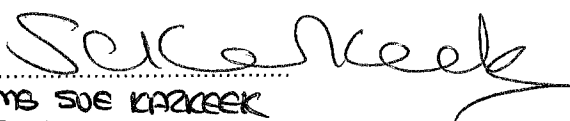
The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income, Transfer on conversion.

# Newquay Education Trust

(Registration number: 8961355)  
Balance Sheet as at 31 August 2015

	Note	31 August 2015 £
<b>Fixed assets</b>		
Tangible assets	14	19,073,925
<b>Current assets</b>		
Debtors	15	288,804
Cash at bank and in hand		<u>2,853,372</u>
		3,142,176
Creditors: Amounts falling due within one year	16	<u>(936,717)</u>
Net current assets		<u>2,205,459</u>
Total assets less current liabilities		21,279,384
Creditors: Amounts falling due after more than one year	17	<u>(109,167)</u>
Net assets excluding pension liability		21,170,217
Pension scheme liability	27	<u>(2,234,000)</u>
Net assets including pension liability		<u>18,936,217</u>
<b>Funds of the Academy Trust:</b>		
<b>Restricted funds</b>		
Restricted general fund		293,654
Restricted fixed asset fund		18,939,395
Restricted pension fund		<u>(2,234,000)</u>
		16,999,049
<b>Unrestricted funds</b>		
Unrestricted general fund		<u>1,937,168</u>
Total funds		<u>18,936,217</u>

The financial statements on pages 34 to 61 were approved by the Trustees, and authorised for issue on 10/12/15..... and signed on their behalf by:

  
.....  
Ms Sue Kazeek  
Trustee

## Newquay Education Trust

### Cash Flow Statement for the Period from 26 March 2014 to 31 August 2015

	Note	31 August 2015 £
Net cash inflow from operating activities	22	3,129,824
Returns on investments and servicing of finance	23	13,261
Capital expenditure and financial investment	24	<u>(289,713)</u>
Increase in cash in the period	25	<u>2,853,372</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the period		2,853,372
Net funds at 26 March 2014		<u>-</u>
Net funds at 31 August 2015		<u>2,853,372</u>

All of the cash flows are derived from acquisitions in the current financial period.

# **Newquay Education Trust**

## **Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015**

### **1 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Transfer to a multi academy trust**

The transfer from single academy trusts to the Multi Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred to the Multi Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Newquay Education Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

#### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **Incoming resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.



# **Newquay Education Trust**

## **Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)**

### **1 Accounting policies (continued)**

#### ***Sponsorship income***

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

#### ***Donations***

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

#### ***Other income***

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

#### ***Donated services and gifts in kind***

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

#### ***Resources expended***

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

#### ***Cost of generating funds***

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

#### ***Charitable activities***

These are costs incurred on the Academy Trust's educational operations.

#### ***Governance costs***

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £500 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	50 years straight line
Long leasehold buildings	50 years straight line
Computer equipment	4 years straight line
Furniture and equipment	4 years straight line
Motor vehicle	4 years straight line

#### Leased assets

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

#### Taxation

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

# **Newquay Education Trust**

## **Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)**

### **1 Accounting policies (continued)**

#### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

#### **Agency accounting**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Transfer on conversion	1,709,072	(1,494,744)	18,946,500	19,160,828
<b>Other voluntary income</b>				
Other donations	7,643	9,534	-	17,177
Total voluntary income	<u>1,716,715</u>	<u>(1,485,210)</u>	<u>18,946,500</u>	<u>19,178,005</u>

### 3 Activities for generating funds

	Unrestricted funds £	Total 2015 £
Hire of facilities	66,513	66,513
School shop sales	10,435	10,435
Other income	155,673	155,673
	<u>232,621</u>	<u>232,621</u>

### 4 Investment income

	Unrestricted funds £	Total 2015 £
Short term deposits	<u>13,261</u>	<u>13,261</u>

### 5 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
<b>DfE/EFA capital grants</b>				
EFA capital grants	-	-	337,075	337,075
DFC capital grants	-	-	42,948	42,948
Other capital grant	-	-	5,000	5,000
	<u>-</u>	<u>-</u>	<u>385,023</u>	<u>385,023</u>

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 5 Funding for Academy's educational operations (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	-	9,620,466	-	9,620,466
Pupil Premium	-	512,837	-	512,837
Other EFA grants	-	68,620	-	68,620
	<u>-</u>	<u>10,201,923</u>	<u>-</u>	<u>10,201,923</u>
<b>Other government grants</b>				
National Leader of Education	-	6,000	-	6,000
Teaching Schools grant	-	90,349	-	90,349
Other LA Funding	-	42,714	-	42,714
SEN Funding	-	86,222	-	86,222
LA Capital grant	-	-	26,107	26,107
	<u>-</u>	<u>225,285</u>	<u>26,107</u>	<u>251,392</u>
<b>Non-government grants and other income</b>				
Exam and trips income	2,519	234,329	-	236,848
Catering income	257,532	-	-	257,532
	<u>260,051</u>	<u>234,329</u>	<u>-</u>	<u>494,380</u>
Total grants	<u>260,051</u>	<u>10,661,537</u>	<u>411,130</u>	<u>11,332,718</u>

### 6 Other incoming resources

	Unrestricted funds £	Total 2015 £
Other Income	71,032	71,032
Other Insurance Income	4,427	4,427
Sale of Fixed Asset Income	967	967
	<u>76,426</u>	<u>76,426</u>

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 7 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £
Costs of activities for generating funds	-	-	79,426	79,426
<b>Academy's educational operations</b>				
Direct costs	7,526,964	-	420,543	7,947,507
Allocated support costs	<u>1,557,274</u>	<u>1,331,094</u>	<u>969,363</u>	<u>3,857,731</u>
	9,084,238	1,331,094	1,389,906	11,805,238
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>20,150</u>	<u>20,150</u>
	<u><u>9,084,238</u></u>	<u><u>1,331,094</u></u>	<u><u>1,489,482</u></u>	<u><u>11,904,814</u></u>

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 7 Resources expended (continued)

Net incoming/outgoing resources for the period include:

	<b>31 August 2015 £</b>
Operating leases - other leases	3,248
Fees payable to auditor - audit	5,000
- other audit services	<u>15,150</u>

### 8 Charitable activities

	<b>Total 2015 £</b>
<b>Direct costs - educational operations</b>	
Teaching and educational support staff costs	7,526,964
Educational supplies	201,017
Examination fees	146,500
Staff development	66,057
Other direct costs	<u>6,969</u>
	<u>7,947,507</u>
<b>Support costs - educational operations</b>	
Support staff costs	1,434,274
FRS 17 service cost adjustment	123,000
Depreciation	502,724
Recruitment and support	34,847
Maintenance of premises and equipment	282,744
Cleaning	212,373
Rent and rates	107,164
Energy costs	129,816
Insurance	96,273
Catering	143,322
Bank interest and charges	6,464
Expected return on scheme assets	(166,000)
Interest on defined benefit pension scheme	207,000
Other support costs	<u>743,730</u>
	<u>3,857,731</u>
Total direct and support costs	<u>11,805,238</u>

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 9 Governance costs

	<b>Total 2015 £</b>
<b>Auditors' remuneration</b>	
Audit of financial statements	5,000
Other audit services	15,150
	<u>20,150</u>

### 10 Staff

#### Staff costs

	<b>2015 £</b>
<b>Staff costs during the period were:</b>	
Wages and salaries	7,112,602
Social security costs	536,506
Pension costs	1,154,690
Supply teacher costs	183,453
Compensation payments	96,987
	<u>9,084,238</u>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £96,987 (2014: £Nil). Individually, the payments were:

Non-contractual payments	£6,460
Non-contractual payments	£11,106
Non-contractual payments	£12,784
Non-contractual payments	£20,975
Non-contractual payments	£25,662
Non-contractual payments	£20,000

#### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period expressed as full time equivalents was as follows:



# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 10 Staff (continued)

	<b>31 August 2015 No</b>
<b>Charitable Activities</b>	
Teachers	116
Administration and support (including teaching assistants)	95
Management	20
	<hr/>
	231
	<hr/> <hr/>

### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	<b>31 August 2015 No</b>
£60,001 - £70,000	3
£80,001 - £90,000	1
£120,001 - £130,000	1
	<hr/> <hr/>

4 of the above employees participated in the Teachers' Pension Scheme. 1 of the above employees participated in the Local Government Pension Scheme.

### 11 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Finance and administration support
- IT support

The Academy Trust charges for these services on the following basis:

- Central services costs are allocated to individual schools on a basis of time spent on each school

### 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, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 12 Related party transactions - Trustees' remuneration and expenses (continued)

Mr Steven Dunn (Management):

Remuneration: £10,000 - £15,000

Employer's pension contributions: £Nil

Mrs Sue Martin (Principal):

Remuneration: £125,000 - £130,000

Employer's pension contributions: £15,000 - £20,000

During the period ended 31 August 2015, no travel and subsistence expenses were paid to trustees.

Other related party transactions involving the Trustees are set out in note 28.

### 13 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 is included in the premium of £10,683.

The cost of this insurance is included in the total insurance cost.

### 14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>						
Additions	335,322	128,197	20,552	-	216,772	700,843
Inherited assets	<u>14,479,675</u>	<u>3,943,484</u>	<u>34,836</u>	<u>3,124</u>	<u>414,687</u>	<u>18,875,806</u>
At 31 August 2015	<u>14,814,997</u>	<u>4,071,681</u>	<u>55,388</u>	<u>3,124</u>	<u>631,459</u>	<u>19,576,649</u>
<b>Depreciation</b>						
Charge for the year	<u>248,797</u>	<u>81,434</u>	<u>13,847</u>	<u>781</u>	<u>157,865</u>	<u>502,724</u>
At 31 August 2015	<u>248,797</u>	<u>81,434</u>	<u>13,847</u>	<u>781</u>	<u>157,865</u>	<u>502,724</u>
<b>Net book value</b>						
At 31 August 2015	<u>14,566,200</u>	<u>3,990,247</u>	<u>41,541</u>	<u>2,343</u>	<u>473,594</u>	<u>19,073,925</u>

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 15 Debtors

	<b>31 August 2015 £</b>
Trade debtors	15,239
Prepayments	73,673
Accrued grant and other income	187,678
VAT recoverable	12,214
	<u>288,804</u>

#### 16 Creditors: amounts falling due within one year

	<b>31 August 2015 £</b>
Trade creditors	141,877
Other taxation and social security	156,592
Other creditors	194,868
Pension scheme creditor	131,235
Accruals	232,002
Deferred income	80,143
	<u>936,717</u>

	<b>31 August 2015 £</b>
<b>Deferred income</b>	
Resources deferred in the period	<u>80,143</u>

The deferred income above relates to monies received in advance for funded projects occurring in the following accounting period.

Included within other creditors is a loan of £1,833 from Salix which is provided on the following terms: interest free over a 3 year term

#### 17 Creditors: amounts falling due after one year

	<b>31 August 2015 £</b>
Long term creditor	<u>109,167</u>

## **Newquay Education Trust**

### **Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)**

#### **17 Creditors: amounts falling due after one year (continued)**

Included within other creditors is a loan of £9,167 from Salix which is provided on the following terms: interest free over a 3 year term

Included within other creditors is a loan of £100,000 from CIF which is provided on the following terms: interest based on the Public Works Loan Board rates over a 5 year term

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 18 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>				
General Annual Grant	10,191,525	(9,867,940)	(86,350)	237,235
LA and other income	133,063	(109,557)	3,526	27,032
Pupil Premium	512,837	(512,837)	-	-
SEN Funding	86,222	(86,222)	-	-
Other DfE/EFA grants	68,620	(48,767)	-	19,853
National Leader for Education	17,293	(17,790)	497	-
Catering, trips and donation income	<u>244,767</u>	<u>(252,406)</u>	<u>17,173</u>	<u>9,534</u>
	<u>11,254,327</u>	<u>(10,895,519)</u>	<u>(65,154)</u>	<u>293,654</u>
<b>Restricted fixed asset funds</b>				
EFA - DFC Grants	124,335	(29,484)	-	94,851
Assets transferred on conversion	16,552,644	(287,582)	-	16,265,062
Capital expenditure from GAG	955,383	(122,839)	82,823	915,367
EFA - ACMF	1,643,761	(51,816)	-	1,591,945
LA and other capital income	<u>81,507</u>	<u>(9,337)</u>	<u>-</u>	<u>72,170</u>
	19,357,630	(501,058)	82,823	18,939,395
<b>Restricted pension funds</b>				
LGPS pension	<u>(2,078,000)</u>	<u>(164,000)</u>	<u>8,000</u>	<u>(2,234,000)</u>
Total restricted funds	28,533,957	(11,560,577)	25,669	16,999,049
<b>Unrestricted funds</b>				
Unrestricted general funds	<u>2,299,074</u>	<u>(344,237)</u>	<u>(17,669)</u>	<u>1,937,168</u>
Total funds	<u><u>30,833,031</u></u>	<u><u>(11,904,814)</u></u>	<u><u>8,000</u></u>	<u><u>18,936,217</u></u>

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 18 Funds (continued)

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

- The General Annual Grant (GAG) restricted fund relates to the funding received from EFA for the ongoing provision of education services to children from the age of seven to eighteen.
- The Academy receives restricted SEN funding from the LA for the provision of education and training services to children with special needs.
- Pupil Premium funding is for the specific purpose of improving literacy and numeracy levels of pupils from disadvantaged backgrounds.
- The defined benefit pension fund represents the current deficit on the Local Government Pension Scheme.
- The Academy operates restricted fixed asset funds. Income that is received by the Academy for the purchase of specific capital items or projects is allocated to these funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

#### Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Newquay Tretherras	1,176,622
Newquay Junior Academy	<u>1,054,200</u>
Total before fixed assets and pension reserve	2,230,822
Restricted fixed asset fund	18,939,395
LGPS pension reserve	<u>(2,234,000)</u>
Total	<u><u>18,936,217</u></u>

#### Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Newquay Tretherras	5,967,032	1,221,897	165,187	1,669,316	9,023,432
Newquay Junior Academy	1,559,932	212,377	35,830	406,519	2,214,658
Central services	-	123,000	-	41,000	164,000
Academy Trust	<u><u>7,526,964</u></u>	<u><u>1,557,274</u></u>	<u><u>201,017</u></u>	<u><u>2,116,835</u></u>	<u><u>11,402,090</u></u>

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 19 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	206,736	-	18,867,189	19,073,925
Current assets	1,730,432	1,228,538	183,206	3,142,176
Current liabilities	-	(934,884)	(1,833)	(936,717)
Creditors over 1 year	-	-	(109,167)	(109,167)
Pension scheme liability	-	(2,234,000)	-	(2,234,000)
Total net assets	<u>1,937,168</u>	<u>(1,940,346)</u>	<u>18,939,395</u>	<u>18,936,217</u>

#### 20 Capital commitments

	<b>31 August 2015 £</b>
Contracted for, but not provided in the financial statements	<u>529,570</u>

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 21 Financial commitments

#### *Operating leases*

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

#### Operating leases which expire:

	<b>31 August 2015 £</b>
<b>Other</b>	
Within one year	3,284
Within two to five years	3,284
	<u>6,568</u>

### 22 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	<b>31 August 2015 £</b>
Net income	18,928,217
Depreciation	502,724
Pension deficit transferred on conversion	2,078,000
Donated capital and capital grants	(19,286,936)
Interest receivable	(13,261)
FRS 17 expected return on scheme assets	(166,000)
FRS 17 interest on defined benefit pension scheme	207,000
FRS17 service cost adjustment	123,000
Increase in debtors	(288,804)
Increase in creditors	1,045,884
Net cash inflow from operating activities	<u>3,129,824</u>

### 23 Returns on investments and servicing of finance

	<b>31 August 2015 £</b>
Interest received	13,261
Net cash inflow from returns on investments and servicing of finance	<u>13,261</u>



## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 24 Capital expenditure and financial investment

	<b>31 August 2015</b>
	£
Purchase of tangible fixed assets	(700,843)
Capital grants from DfE	380,023
Capital grants from others	31,107
Net cash outflow from capital expenditure and financial investment	<u>(289,713)</u>

#### 25 Analysis of changes in net funds

	<b>At 26 March 2014</b>	<b>Cash flows</b>	<b>At 31 August 2015</b>
	£	£	£
Cash at bank and in hand	<u>- 2,853,372</u>		<u>2,853,372</u>

#### 26 Members' liability

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

#### 27 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £131,235 were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 27 Pension and similar obligations (continued)

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

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £624,326.

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £384,000, of which employer's contributions totalled £292,000 and employees' contributions totalled £92,000. The agreed contribution rates for future years are 18.1 per cent for employers and between 5.5 and 7.5 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 27 Pension and similar obligations (continued)

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

#### Principal actuarial assumptions

	<b>At 31 August 2015 %</b>
Rate of increase in salaries	4.60
Rate of increase for pensions in payment/inflation	2.70
Discount rate for scheme liabilities	3.80
Expected return on assets	<u>3.80</u>

#### Commutation

An allowance is included for future retirements to elect to take 40% of the maximum additional tax free cash up to HMRC limits for pre-April 2008 service and 70% of the maximum tax-free cash for post April 2008 service

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

	<b>At 31 August 2015</b>
<b>Retiring today</b>	
Males retiring today	22.20
Females retiring today	24.40
<b>Retiring in 20 years</b>	
Males retiring in 20 years	24.40
Females retiring in 20 years	<u>26.80</u>

The Academy Trust's share of the assets and liabilities in the scheme were:

	<b>At 31 August 2015 £</b>
Equities	1,528,000
Corporate bonds	1,864,000
Property	261,000
Cash	<u>75,000</u>
Total market value of assets	<u>3,728,000</u>
Surplus in the scheme	<u>3,728,000</u>

The expected rates of return were:

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 27 Pension and similar obligations (continued)

	At 31 August 2015 %
Equities	3.80
Corporate bonds	3.80
Property	3.80
Cash	<u>3.80</u>

The expected rates of return are set equal to the discount rate as per the forthcoming FRS102 disclosure requirements

The actual return on scheme assets was £113,000.

### Amounts recognised in the statement of financial activities

	31 August 2015 £
Current service cost	<u>415,000</u>
Total operating charge	<u>415,000</u>

### Analysis of pension finance income/(costs)

	31 August 2015 £
Expected return on pension scheme assets	166,000
Interest on pension liabilities	<u>(207,000)</u>
Pension finance costs	<u>(41,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £33,000.

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 27 Pension and similar obligations (continued)

##### Movements in the present value of defined benefit obligation

	<b>31 August 2015</b>
	£
Transferred on 1 Sept 2014	5,353,000
Current service cost	415,000
Interest cost	207,000
Employee contributions	92,000
Actuarial gains	(86,000)
Benefits paid	(44,000)
Adjustment to scheme liabilities on conversion	25,000
At 31 August	<u>5,962,000</u>

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

	<b>31 August 2015</b>
	£
Transferred on 1 Sept 2014	3,275,000
Expected return on assets	166,000
Actuarial losses	(53,000)
Employer contributions	292,000
Employee contributions	92,000
Benefits paid	(44,000)
At 31 August	<u>3,728,000</u>

The estimated value of employer contributions for next period is £300,000.

##### History of experience adjustments

Amounts for the current and previous period are as follows:

	<b>31 August 2015</b>	<b>Transferred 1 Sept 2014</b>
	£	£
Present value of scheme liabilities	(5,962,000)	(5,353,000)
Fair value of scheme assets	<u>3,728,000</u>	<u>3,275,000</u>
Deficit in the scheme	<u>(2,234,000)</u>	<u>(2,078,000)</u>
		<b>31 August 2015</b>
		£
Experience adjustments arising on scheme assets		(53,000)
Experience adjustments arising on scheme liabilities		<u>3,000</u>

# Newquay Education Trust

## Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

### 27 Pension and similar obligations (continued)

Comparative figures have not been restated as permitted by FRS 17.

### 28 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the period the Academy Trust made the following related party transactions:

#### **Trenance Learning Academy Trust**

(S Dunn (Trustee) is a Governor of Trenance Learning Academy Trust)

£24,591 (2014: £541) was received from Trenance Learning Academy Trust in respect of services provided in the year. Expenditure of £5,124 (2014: £3,974) was paid to Trenance Learning Academy Trust. At the balance sheet date the amount due to Trenance Learning Academy Trust was £Nil.

#### **Kernow Collaborative Trust**

(Mrs S D Martin is a director of the Kernow Collaborative Trust)

In the year £4,834 was paid to Kernow Collaborative Trust Limited in respect of services provided in the year.

Income of £325 was received in the year from Kernow Collaborative Trust Limited.. At the balance sheet date the amount due to Kernow Collaborative Trust was £Nil.

#### **Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £49,365 and disbursed £49,365 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to EFA.

### 30 Conversion to an Academy Trust

On 1 September 2014 the Newquay Junior Academy and Newquay Tretherras converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Newquay Education Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

## Newquay Education Trust

### Notes to the Financial Statements for the Period from 26 March 2014 to 31 August 2015 (continued)

#### 30 Conversion to an Academy Trust (continued)

<b>Newquay Tretherras</b>	<b>Unrestricted fund</b>	<b>Restricted general fund</b>	<b>Restricted fixed asset fund</b>	<b>Total</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Tangible fixed assets			14,754,157	14,754,157
Budget surplus on GAG funds		242,966		242,966
Pension reserve		(1,734,000)		(1,734,000)
Unrestricted general funds	1,236,014			1,236,014
Budget surplus on other school funds		904	204,301	205,205
<b>Net assets</b>	<b>1,236,014</b>	<b>(1,490,130)</b>	<b>14,958,458</b>	<b>14,704,342</b>
<b>Newquay Junior Academy</b>	<b>Unrestricted fund</b>	<b>Restricted general fund</b>	<b>Restricted fixed asset fund</b>	<b>Total</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Tangible fixed assets	125,100		3,996,549	4,121,649
Budget surplus on GAG funds		328,093	(8,507)	319,586
Pension reserve		(344,000)		(344,000)
Unrestricted general funds	347,958			347,958
Budget surplus on other school funds		11,293		11,293
<b>Net assets</b>	<b>473,058</b>	<b>(4,614)</b>	<b>3,988,042</b>	<b>4,456,486</b>