

Newquay Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

Registration number: 8961355

Newquay Education Trust

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Newquay Education Trust

Reference and Administrative Details

| | |
|--|---|
| Members | Mr Steven Dunn (resigned 15 December 2015) Mr Ashley Mann (resigned 15 December 2015) Mr Nicholas Jenkin (resigned 15 December 2015) Mr David Linnell (resigned 15 December 2015) Ms Sarah Karkeek Mr David Hobbs (appointed 15 December 2015) Miss Joanna Kenny (appointed 15 December 2015) Mr Graham Smith (appointed 15 December 2015) Professor Keith Atkinson (appointed 15 April 2016) |
| Trustees (Directors) | Ms Sarah Karkeek Mr Nicholas Jenkin Mrs Mary-Rose Merrin (resigned 13 June 2016) Mr Alan Brown Mr Steven Dunn Mr Sebastian Parker Mr Philip Mason Mr Ashley Mann Mr Sean Dixon (appointed 24 September 2015) |
| Chief Executive Officer | Mrs Sue Martin |
| Company Secretary | Mr Andrew Keast |
| Executive Leadership | Mrs Sue Martin, Chief Executive Officer Mrs Samantha Fairbairn, Headteacher - Newquay Tretherras Mr Andrew Reep, Headteacher - Newquay Junior Academy Mr Andrew Keast, Director of Finance and Estate |
| Principal and Registered Office | Newquay Tretherras Trevenson Road Newquay Cornwall TR7 3BH |
| Company Registration Number | 8961355 |

Newquay Education Trust

Reference and Administrative Details (continued)

| | |
|-------------------|--|
| Auditors | PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro Cornwall TR1 2NA |
| Bankers | Lloyds Bank plc 6 Chesterton Place Chester Road Newquay Cornwall TR7 2RU |
| Solicitors | Browne Jacobsen Mowbray House Castle Meadow Road Nottingham NG2 1BJ |

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The comparative figures represent the period from incorporation on 26 March 2014 to 31 August 2015. On 1 September 2014 Newquay Junior Academy and Newquay Tretherras transferred to Newquay Education Trust.

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, and a pupil roll of 2180 (1634 + 546) in the school census October 2016.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Newquay Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Newquay Education Trust.

Details of the Trustees who served during the year 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

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.

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 Chief Executive Officer) does not exceed one third of the total number of trustees.

- The Chief Executive Officer 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 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 Chief Executive Officer. 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.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Policies and procedures adopted for the induction and training of Trustees

The Chief Executive Officer, 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 Year Ended 31 August 2016 (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 directors 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 Chief Executive Officer is responsible for the day to day implementation and delivery of the strategic development plan as agreed with the trustees. The Chief Executive Officer is supported by an Executive Team, including both 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 Chief Executive Officer 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 Year Ended 31 August 2016 (continued)

Arrangements for setting pay and remuneration of key management personnel

The trust has a framework for a clear and consistent assessment of the overall Performance Management and pay of all staff. Performance Management for the trust is a supportive and developmental process designed to ensure staff know what is expected of them, how they are performing and what can be done to strengthen their performance. It will help to ensure that staff are able to continue to improve their professional practice, develop in their respective roles and help them reach their full potential. In respect of teaching staff this process is supported by guidance contained in self review forms (to be given to the employee in advance of the interview), 'Teachers' Standards Progression Maps, example targets which relate to the trust and school strategic objectives, Personal and Professional Conduct, and other guidance relevant at the time.

The performance of the CEO will be managed by a nominated Committee of the Board of Trustees consisting of three members (Chair of Board, Chair of Staffing Committee and one other), supported by a suitably skilled and/or experienced external adviser who has been appointed by the Board of Trustees for that purpose.

The performance of each Headteacher is managed by the Chair of the Board supported by the CEO. The performance of other key management personnel, including those staff paid on the leadership pay scale, is managed by the Chair of the Board supported by the CEO and Headteacher.

At the end of the Performance Management cycle all staff will receive a draft Performance Management Statement. Staff have the opportunity to comment on the content of the statement prior to its finalisation as the performance record. The report will include:

- details of the performance objectives for the period in question;
- an assessment of the employee's performance in their role and responsibilities against their objectives and the relevant standards, where they exist;
- an assessment of the employee's training and development needs and identification of any action that should be taken to address them;
- a recommendation on pay where that is relevant.

All pay progression recommendations are considered by the Pay and Staffing Committee for approval before any advancement is authorised.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Related parties and other connected charities and organisations

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.

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.

Cornwall & Isles of Scilly Local Enterprise Partnership – The NET CEO is a member of the AeroHub Board. The LEP has identified Newquay Tretherras as a “champion” for STEM skills as part of the work of the Enterprise Zone.

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 Year Ended 31 August 2016 (continued)

Objectives, strategies and activities

Newquay Junior Academy and Newquay Tretherras had 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 Year Ended 31 August 2016 (continued)

STRATEGIC AIMS: 2015 - 2017

- We aim to retain and regain Outstanding OFSTED ratings in all our academies through ensuring that: EVERY CHILD MAKES EXCEPTIONAL PROGRESS, IN EVERY LESSON, EVERY DAY. We will pay particular attention to our most vulnerable and our most able students.
- We aim to become a visionary and highly regarded Academy Sponsor, taking on one sponsored Secondary Academy and one Primary academy in 2015-16. Further academies (in 2016-17, and 2017-18) will be considered if two more Good/ Outstanding Academies join NET to add further capacity.
- Through training and CPD, we will grow our capacity for wider system governance and leadership, in order to play our part in overcoming the educational challenges facing our local communities. We will develop robust systems to monitor and track the performance of all our academies within a clear accountability framework, underpinned by a culture of continuous improvement.
- We aim to make the Kernow Teaching School Alliance (KTSA) a nationally regarded Teaching School Alliance in which all strategic partners are committed to drawing upon each other's strengths, developing a systematic and strategic programme of CPD, recruiting and developing the very best workforce.
- We aim to become a specialist centre for STEM and 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.
- Through our "Academies within Academies" structure, we aim to be recognised for our aspirational and innovative cross phase provision which addresses performance dips and gaps, and ensures that no child fails to achieve their true potential.
- We aim to explore and bid for Free School opportunities to accommodate the significant growth in the Newquay population.
- By 2018 NT will grow towards 1800 and NJA will grow to 600 through sustaining and improving the highly regarded educational provision which has led to both academies being oversubscribed.
- NT 6th Advanced Academy will be a strong and sustainable 6th form of at least 300 and will ensure that students take up high quality Apprenticeships or university places.
- We aim to develop outstanding facilities across all sites through the creation of a single Capital Estates Strategy across the Trust.
- We aim to secure balanced budgets in all academies with long term sustainable budget plans, and will secure greater economies of scale, greater financial efficiency through joint planning and procurement. We will continue to build strong central teams to serve and support the needs of all our academies.

Public benefit

The Academy 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 Year Ended 31 August 2016 (continued)

Strategic Report

Achievements and performance

In the year 2015-2016 Newquay Education Trust has:

- Continued to develop the highly experienced and well qualified Board of Trustees with the Chair becoming a National Leader of Governance and awarded Cornwall Governor of the Year;
- Expanded and further trained the very experienced Executive Team appointing a new Chief Executive Officer (the former Executive Head), and the Associate Headteachers appointed as the Headteachers of each academy;
- Continued to expand the Kernow Teaching School Alliance and establish very successful CPD and ITT programmes;
- Trained Senior and Middle Leadership Teams with visits to Outstanding Schools nationally;
- Trained all staff in Safeguarding/ Prevent and managing Critical Incidents;
- Used strong Governance and leadership structures with clear lines of accountability;
- Further developed central services teams to achieve greater economies: Finance/ HR/ Catering/ ICT & Communications and Data and Information;
- Approved central NET wide policies: Safeguarding/ SEN/ Redundancy/ Marking and Feedback;
- Used a common approach to Data & Assessment/Monitoring, Evaluation and Reporting and introduced Target Tracker as Newquay Junior's data system;
- Planned joint teaching of Literacy and Numeracy across both academies;
- Prepared Cost Savings Plans for both academies;
- Conducted staffing reviews using our HR provider;
- Reviewed the Newquay Tretherras Curriculum and consulted on a range of changes;
- Liaised closely with the DFE and EFA on the Priority Schools Building Programme Phase 2 for rebuilding significant parts of NT;
- Secured CIF funding for refurbishment of all Science Labs at NT and Fire precautions works.
- Built and opened a new Sports and Arts hall at NJA: "The Edge Centre;"
- Written a bid for and gained Sponsor Capacity Funding;
- Liaised with the Enterprise Zone with the Chief Executive Officer sitting on the EZ Board, and students attending high profile events with MP's at the AeroHub;
- Concluded discussions with Cornwall Council and the Town Council regarding running of Newquay Sports Centre and decided not to proceed;
- Taken a lead in the Cornwall 6th Forms Together (CSFT) Group which has led to improvements across the County;
- Launched and developed the very successful Integrated Health Centre on the former Happy Days Nursery site;
- Conducted a successful external review across the Trust by a very experienced former HMI and acted on her recommendations;
- Successfully embedded PIXL as part of our improvement strategy across both academies;
- Recruited successfully to both academies for September 2016, with a particularly successful intake in Year 12;
- Restructured and greatly improved the dining facilities, provision and take up at Newquay Junior Academy through the work of the school council;
- Improved dining facilities and provision at Newquay Tretherras through working closely with a local catering business;
- Worked closely with the New Schools Network on preparing a Free School Bid;
- Written and submitted a Free School Bid for "Newquay Primary Academy" a new school for Newquay;

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

- Conducted a Public Engagement process and met with local; parents regarding the vision and purpose of the new academy;
- Achieved the best set of results at KS4 in Newquay Tretherras with gender and Pupil Premium gaps closing significantly;
- Discussed the expansion of NET with a range of other schools and the DFE;

Academic performance in 2015/16

Newquay Tretherras

| OUTCOMES SEF 2015/16: Key Stage 4 | | | | | | | |
|-----------------------------------|----------|--------|-----------|--------|--------------|---------------|----------------|
| Headlines | Basics | Gap | Progress8 | Gap | Attainment 8 | Ebacc Entered | Ebacc Achieved |
| NT - All Students | 70.3% | | 0.08 | | 51.88 | 20.2% | 11.4% |
| Female | 73.4% | 6.5% | 0.25 | 0.36 | 54.26 | 22.3% | 12.2% |
| Male | 66.9% | | -0.11 | | 49.21 | 17.7% | 10.5% |
| Non-PP | 71.4% | 4.7% | 0.12 | 0.19 | 53.00 | 21.8% | 12.6% |
| Pupil Premium | 66.7% | | -0.07 | | 47.82 | 14.0% | 7.0% |
| PA: Low | 21.2% | | 0.20 | | 35.80 | 15.2% | 0.0% |
| PA: Middle | 69.4% | | 0.17 | | 50.85 | 15.6% | 8.2% |
| PA: High | 94.8% | | -0.16 | | 61.57 | 29.9% | 22.1% |
| Green = Above national | | | | | | | |
| Red=Top25%, Blue=Bottom25% | | | | | | | |
| Subjects | Students | A*-A % | A*-C % | 3+ LOP | 4+ LOP | Avg Pt | Alps Gra |
| BTEC ICT | 11 | 27.3 | 100.0 | 100.0 | 81.8 | 47.1 | 2 |
| Drama | 20 | 25.0 | 80.0 | 90.0 | 55.0 | 43.6 | 2 |
| DT Graphics | 32 | 25.0 | 81.3 | 81.3 | 62.5 | 43.6 | 2 |
| Ethics and Philosophy | 22 | 59.1 | 86.4 | 86.4 | 68.2 | 49.0 | 2 |
| IT | 25 | 36.0 | 84.0 | 83.3 | 66.7 | 45.0 | 2 |
| Maths Further | 15 | 53.3 | 100.0 | 100.0 | 60.0 | 50.0 | 2 |
| Music | 24 | 45.8 | 100.0 | 100.0 | 66.7 | 47.8 | 2 |
| Science Core | 199 | 4.5 | 83.4 | 77.2 | 31.0 | 41.1 | 2 |
| Art | 78 | 30.8 | 97.4 | 89.3 | 56.0 | 45.8 | 3 |
| Dance | 17 | 23.5 | 70.6 | 76.5 | 47.1 | 41.8 | 3 |
| Media Studies | 43 | 27.9 | 90.7 | 86.0 | 62.8 | 45.0 | 3 |
| MFL Spanish | 41 | 26.8 | 73.2 | 68.3 | 36.6 | 42.5 | 3 |
| PE | 74 | 28.4 | 93.2 | 83.8 | 55.4 | 44.6 | 3 |
| Photography | 16 | 56.3 | 100.0 | 100.0 | 81.3 | 49.4 | 3 |
| Science Additional | 198 | 7.1 | 77.8 | 75.0 | 29.1 | 41.0 | 3 |
| Science Biology | 44 | 47.7 | 100.0 | 93.0 | 58.1 | 48.6 | 3 |
| Science Chemistry | 44 | 52.3 | 97.7 | 88.4 | 60.5 | 48.7 | 3 |
| Maths | 263 | 13.3 | 78.3 | 77.6 | 26.6 | 40.4 | 4 |
| English Language | 262 | 11.5 | 75.2 | 72.6 | 30.1 | 41.3 | 5 |
| BTEC Child Care | 9 | 0.0 | 66.7 | 62.5 | 12.5 | 35.0 | 7 |
| BTEC Science | 19 | 0.0 | 36.8 | 33.3 | 22.2 | 30.2 | 7 |
| Computing | 43 | 11.6 | 44.2 | 34.9 | 16.3 | 31.8 | 7 |

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

These are good outcomes

- ± Basics, Attainment 8 and Progress 8 are all above national averages. Basics have consistently been above national every year.
- ± Pupil Premium differences at a record low - our PP students even outperformed non-PP students nationally.
- ± Gender differences have decreased significantly (Basics gap now lower than national gap).
- ± 17 subjects made progress in the top 25% of those departments in the country.
- ± English and Maths both made above average progress with their elements of the Progress 8 measure.
- ± Student destinations following Key Stage 4 are the highest in Cornwall and well above national averages, at 93%.

They are not yet outstanding because

- ± Ebacc Entry (and achievement) are below national averages - this has been a curriculum decision to allow students a greater freedom of choice.
- ± Gender differences still exist beyond national differences (although an improving trend).
- ± High Ability students did not make the required progress; this is a focus for the school.
- ± 3 subjects made progress in the bottom 25% of those departments in the country; Computing (HoD has presented to Directors QA committee and subject is being monitored closely), BTEC Science (not continuing), BTEC Child Care (disrupted due to maternity leave).

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

| OUTCOMES SEF 2015/16: Key Stage 5 | | | | | | |
|-----------------------------------|--------------------------------------|----------|------------|----------|------------------------|-------|
| | L3VA is very provisional at present. | | | | Green = Above national | |
| | APS per entry | | Level 3 VA | | GCSE Progress | |
| Headlines | Academic | Appl Gen | Academic | Appl Gen | English | Maths |
| All Students | 29.94 | 43.37 | -0.10 | 0.90 | 0.59 | 0.52 |
| Female | 32.54 | 44.07 | -0.23 | 0.82 | 0.86 | 0.29 |
| Male | 26.85 | 42.88 | 0.05 | 0.95 | 0.52 | 0.63 |
| Non-PP | 29.99 | 43.53 | -0.13 | 0.79 | 0.56 | 0.48 |
| Pupil Premium | 29.44 | 42.19 | 0.15 | 1.54 | 0.80 | 1.00 |
| All Students (2015) | 29.62 | 40.57 | 0.21 | 0.81 | -0.04 | 0.17 |
| A Level Subjects | 2013/14 | | 2014/15 | | 2015/16 | |
| | Entries | Grade | Entries | Grade | Entries | Grade |
| A - English Lang. & Lit. | 18 | 4 | 28 | 1 | 12 | 2 |
| A - French | 4 | 7 | 5 | 2 | 2 | 3 |
| A - Geography | 5 | 8 | 18 | 7 | 9 | 2 |
| A - Physical Education | 10 | 5 | 8 | 3 | 10 | 3 |
| A - Sociology | 2 | 7 | 6 | 5 | 5 | 3 |
| A - Spanish | 4 | 3 | 2 | 2 | 1 | 2 |
| A - Use of Mathematics | 3 | 2 | 7 | 2 | 14 | 3 |
| EPQ - Extended Project | 7 | 3 | 13 | 2 | 20 | 3 |
| A - Biology | 17 | 7 | 19 | 7 | 23 | 7 |
| A - Business Studies | 15 | 7 | 13 | 5 | 19 | 8 |
| A - Computing | 1 | 8 | - | - | 5 | 7 |
| A - D&T (Textiles) | - | - | 1 | 5 | 4 | 8 |
| A - History | 6 | 7 | 9 | 7 | 14 | 7 |
| A - Physics | 14 | 4 | 14 | 5 | 14 | 7 |
| A - Psychology | 11 | 6 | 12 | 7 | 18 | 8 |
| A - Religious Studies | 7 | 7 | - | - | 7 | 7 |
| AS Level Subjects | | | | | | |
| AS - Art (Fine Art) | 9 | 2 | 8 | 2 | 16 | 2 |
| AS - Art (Photography) | 13 | 2 | 9 | 4 | 14 | 2 |
| AS - Geography | 24 | 6 | 9 | 5 | 13 | 3 |
| AS - Use of Mathematics | 10 | 2 | 22 | 5 | 12 | 3 |
| AS - Biology | 30 | 5 | 35 | 6 | 23 | 7 |
| AS - D&T (Graphics) | 10 | 6 | 1 | 2 | 13 | 8 |
| AS - D&T (Textiles) | - | - | 6 | 8 | 1 | 8 |
| AS - Mathematics | 28 | 5 | 26 | 4 | 19 | 7 |
| AS - Maths (Further) | 3 | 4 | 5 | 7 | 1 | 8 |
| AS - Media Studies | 22 | 2 | 12 | 2 | 27 | 7 |
| AS - Physics | 27 | 7 | 20 | 4 | 15 | 8 |
| AS - Religious Studies | - | - | 11 | 8 | 25 | 7 |

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

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|--|
| These are good outcomes |
| ± Academic and Applied General L3VA were both significantly above national average in 2015. |
| ± Academic APS has increased from 2015. |
| ± Applied General APS is significantly above national average (37.95), as is the L3VA. |
| ± Progress in English and Maths GCSE is significantly above national average for both 2015 and 2016. |
| ± Boys making strong progress, as are Pupil Premium students. |
| ± 8 academic subjects made progress in the top 25% of those departments in the country. |
| They are not yet outstanding because |
| ± Although academic APS has increased from 2015, it is still below national average (30.85). |
| ± Academic L3VA is below(not significantly) national average. |
| ± Girls progress was not strong in Academic L3VA in 2016, but was in 2015 (+0.14). |
| ± 8 academic subjects made progress in the bottom 25%. HoDs of Biology, Business Studies, Textiles, Physics, Psychology, EP and Graphics have all presented to Directors QA committee and have specific monitoring and evaluation plans. |

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

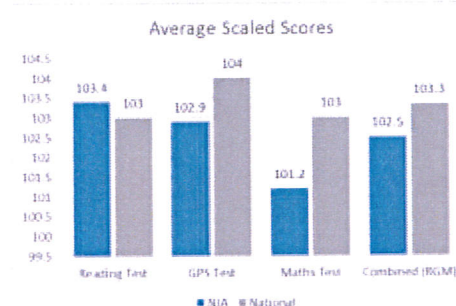
Strategic Report

Newquay Junior Academy

Key Stage 2 - 2016 Executive Summary

Attainment Headlines

| | Expected Standard (%) | "High" Standard | Average Scaled Score |
|------------|-----------------------|-----------------|----------------------|
| Reading | 😊 | 😊 | 😊 |
| GPS | 😐 | 😞 | 😐 |
| Maths | 😞 | 😞 | 😞 |
| Writing TA | 😐 | 😊 | |
| Combined | 😐 | | 😐 |



- ❖ First time in 6 years that attainment is *slightly* below national
 - 51% at NJA compared to 53% nationally (2 pupils difference)
- ❖ Reading figures above national averages.
- ❖ Maths results are below national averages

Pupil Groups

| Y6 (135 pupils) | Pupils (%) | Expected Standard |
|-------------------|-------------|-------------------|
| All Pupils | 135 (100%) | 69 (51.1%) |
| Males | 75 (55.6%) | 35 (46.7%) |
| Females | 60 (44.4%) | 34 (56.7%) |
| Pupil Premium | 32 (23.7%) | 12 (37.5%) |
| Not Pupil Premium | 103 (76.3%) | 57 (55.3%) |

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

- ❖ Gender Gap of 10% compared to 8% nationally (no gap at NJA in 2015) – 8% gap in maths.
- ❖ PP Gap of 18% compared to 18% nationally (30% gap at NJA in 2015) – 23% gap in reading.
- ❖ High Ability pupils have made progress in line with national averages (strong progress when viewed from internal baselines).
- ❖ SEN Support and Low Ability pupils have not made sufficient progress.

Teacher Assessment (TA) v Test Outcomes

- ❖ Writing TA very closely matched the GPS test outcomes (70% v 69%)
- ❖ Reading TA was 12% higher than Test outcomes (79% v 67%)
 - more girls under-performed in their test than boys (when comparing the TA to the Test)
 - 24/32 (75%) of PP pupils were assessed as expected standard but only 16 (50%) achieved this in the test
- ❖ Maths TA was 17% higher than Test outcomes (78% v 61%)
 - again more girls under-performed in their test than boys (when comparing the TA to the Test)

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Key Stage 2 2016 Progress Analysis

The table below summarises the progress made by the 2016 Key Stage 2 cohort. The progress has been measured against the official KS1 outcomes as well as against the internal Year 3 baseline. You can see that in Reading this improves the overall figure by 3.6 (-1.5 to 2.1) and by 3.1 in Writing and Maths. The relative progress in each of these subjects is similar with Maths presenting itself with the lowest rates of progress.

| | | Progress based on KS1 APS | | | Progress based on Baseline APS | | | |
|------------|-------------------------|---------------------------|---------|-------|--------------------------------|---------|-------|------|
| | Pupils | Reading | Writing | Maths | Reading | Writing | Maths | |
| | All | 135 | -1.5 | -2.6 | -3.2 | 2.1 | 0.5 | -0.1 |
| | Boys | 75 | -1.1 | -3.9 | -2.8 | 1.7 | -1.4 | -0.5 |
| | Girls | 60 | -2.0 | -1.0 | -3.6 | 2.5 | 2.9 | 0.2 |
| | FSM Ever 6 | 29 | -4.1 | -2.8 | -4.1 | -1.2 | -0.3 | -1.7 |
| | SEN Support (K) | 16 | -8.9 | -13.5 | -6.8 | -7.6 | -12.1 | -5.8 |
| KS1 Low | KS1 Low | 8 | -6.8 | -7.5 | -5.0 | -8.2 | -9.1 | -6.6 |
| | KS1 Low - Boys | 6 | -7.7 | -11.4 | -5.0 | -9.7 | -13.7 | -7.3 |
| | KS1 Low - Girls | 2 | -4.0 | 4.4 | -5.1 | -4.0 | 4.4 | -5.1 |
| | KS1 Low - FSM Ever 6 | 4 | -3.2 | -1.5 | -7.4 | -4.0 | -2.3 | -8.3 |
| KS1 Middle | KS1 Middle | 66 | -1.9 | -4.0 | -4.2 | 1.2 | -0.8 | -1.6 |
| | KS1 Middle - Boys | 39 | -0.3 | -4.2 | -3.3 | 2.3 | -1.4 | -1.3 |
| | KS1 Middle - Girls | 27 | -4.2 | -3.7 | -5.3 | -0.4 | 0.1 | -2.1 |
| | KS1 Middle - FSM Ever 6 | 12 | -8.3 | -7.5 | -5.0 | -6.4 | -5.4 | -3.5 |
| KS1 High | KS1 High | 57 | -0.4 | -0.3 | -1.8 | 4.5 | 3.4 | 2.3 |
| | KS1 High - Boys | 27 | -0.9 | -1.8 | -1.7 | 3.4 | 1.4 | 1.9 |
| | KS1 High - Girls | 30 | 0.1 | 1.1 | -1.9 | 5.5 | 5.2 | 2.7 |
| | KS1 High - FSM Ever 6 | 13 | -0.5 | 1.2 | -2.2 | 4.5 | 5.0 | 2.0 |

- The SEN Support group, as well as the low prior attainment group are the groups of most concern.
- The middle prior attainment group show low rates of progress to some extent, particularly in writing and maths.
- Boys have not made enough progress in writing, across all ability bands when compared with the progress girls have made.
- The 12 pupils who were middle attainers and FSM Ever 6 have underperformed and require monitoring of similar groups in the future,
- Reading Overall presents a positive picture, particularly when measured against the Year 3 baseline.
- High attainers have continued to make strong progress throughout Key Stage 2.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

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 central government are continuing to decrease at a time when costs are rising. Projections indicate that significant prudent financial management will be required in the next 12 months to ensure the long term sustainability of high quality educational provision.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Financial review

Budget projections for Newquay Education Trust indicated an in year deficit for the 2015/16 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:

- Continuation of ICT improvements programmes
- Match funding of EFA CIF schemes including refurbishment of the second half of specialist Science facilities (50% funded the previous year) at the secondary site and Fire Precautions works (ongoing).
- Construction of a new hall circa £528k at Newquay Junior Academy (>90% funded from reserves) considered essential to respond to immediate needs of expressive arts, PE and suitable for collective worship, and to respond to pressure of pupil capacity. Opened February 2016.

The above capital works programmes follow on from other investments made since academy conversions in 2011, including match funding towards successful ACMF/CIF grants assisting with window walling replacements, asbestos removal, flat roof renewals, heating plant upgrades, ceilings and lighting renewals, window replacements and 50% renewal of Science facilities.

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 plus the new Apprenticeship Levy. 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 Year Ended 31 August 2016 (continued)

Strategic Report

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 2016 Newquay Education Trust held £1,774,180 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.

General reserves of 5% of annual grant funding is to be held as a minimum as agreed by the Finance and Estates Committee on 4 February 2016.

Investment policy

In accordance with Newquay Education Trust's Financial Regulations & Scheme of Delegation the Chief Executive Officer 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 Chief Executive Officer 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.

Principal risks and uncertainties

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.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Plans for future periods

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 6th Form of 300.
- To continue to raise levels of achievement in the 6th Form to above local and national averages and increase the percentages of students gaining high grades to the national average. (OFSTED Action Point) and further improve the performance of higher attaining pupils;
- To secure Outstanding Teaching and Learning through embedding the Marking and Feedback Policy and monitoring closely its implementation across the academy. (OFSTED Action Point).
- 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 further embed the 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.
- Continue to refine the Assessment Policy in the light of new changes to GCSE and KS3 assessment.
- Sustain 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 liaise with the DFE and EFA on the PSBP2 plans.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (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 PAN.
- Embed the 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.
- Further 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 Trustees 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.
- Embed the Teaching and Learning Policy and Framework across NJA which includes 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 and KTSA.

Funds held as Custodian Trustee on behalf of others

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 Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27. As of the 31 August 2016 undistributed bursary funding of £7,950 was held on the Trusts balance sheet.

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.

Newquay Education Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 15/12/16 and signed on its behalf by:



Ms Sarah Karkeek
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 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------|----------------------|----------------------|
| Ms Sarah Karkeek | 4 | 4 |
| Mr Steven Dunn | 2 | 4 |
| Mr Nicholas Jenkin | 2 | 4 |
| Mr Ashley Mann | 4 | 4 |
| Mr Philip Mason | 4 | 4 |
| Mrs Mary-Rose Merrin | 3 | 3 |
| Mr Sebastian Parker | 3 | 4 |
| Mr Alan Brown | 4 | 4 |
| Mr Sean Dixon | 4 | 4 |

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 & Estates
 - Assistant Director of Finance & Estates
 - 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 Trustees 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 trustees.
- 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 academy's independent accountants (PKF Francis Clark) and reports discussed and signed off by the Board of Trustees.
- 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 Finance and Estates Committee is a sub-committee of the main Governing Body. Its purpose is to review RO reports and any other reports relevant to the internal and external audit of the multi academy trust. Attendance at meetings during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------|--------------------------|--------------------------|
| Mr Alan Brown | 5 | 8 |
| Ms Sarah Karkeek | 7 | 8 |
| Mr Philip Mason | 4 | 8 |
| Mr Sebastian Parker | 5 | 8 |
| Mrs Sue Martin | 7 | 8 |
| Mr Steven Dunn | 5 | 8 |

Newquay Education Trust

Governance Statement (continued)

Review of Value for Money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the multi 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 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.

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, if viable, by reserves, and the Priority Schools Building Programme (Round 2).

Newquay Education Trust

Governance Statement (continued)

- 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 CEOs/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 relevant Business Managers and their teams 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.
- 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 Chief Executive Officer 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 is a National Leader of Governance (NLG) and is helping other Board's in developing their governance structures.
- 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.

Newquay Education Trust

Governance Statement (continued)

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 & Estate and site Headteachers 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 Chief Executive Officer'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 Director of Finance & Estate
 - o Finance Assistant and apprentice
 - o Lettings Manager
 - o Site Managers
- Separation of duties across budget holders, the leadership and finance teams in terms of authorisation, responsibility and accountability.
- Half termly 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 academies 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 year ended 31 August 2016 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 year ending 31 August 2016 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 Responsible Officer to date.

Newquay Education Trust

Governance Statement (continued)

Review of effectiveness

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

- the work of the 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 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 15/12/16 and signed on its behalf by:



Ms Sarah Karkeek
Trustee



Mrs Sue Martin
Accounting officer
Chief Executive Officer

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 2015.

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 2015.

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: 15-12-16

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 Annual Accounts Direction published 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 15/12/16 and signed on its behalf by:


Ms Sarah Karkeek
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 year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 33), 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 Trustees' 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2015 to 2016; 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 year 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.

PCF Francis Clark

Darren Perry BA(Hons) ACA DChA (Senior Statutory Auditor)
PKF Francis Clark
Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: 16/12/16

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 24 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 1 September 2015 to 31 August 2016 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 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PCF Francis Clark

Darren Perry BA(Hons) ACA DChA
PKF Francis Clark
Chartered Accountants

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: *16/12/16*.....

Newquay Education Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2016 £ |
|---|------|----------------------------|-------------------------------------|---|--------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | 676 | 32,091 | 557,563 | 590,330 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy Trust's educational operations | 3 | 644,911 | 10,569,580 | - | 11,214,491 |
| Other trading activities | 4 | 310,935 | - | - | 310,935 |
| Investments | 5 | 15,031 | - | - | 15,031 |
| Total | | <u>971,553</u> | <u>10,601,671</u> | <u>557,563</u> | <u>12,130,787</u> |
| Expenditure on: | | | | | |
| Raising funds | 6 | 62,799 | 11,294 | - | 74,093 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | <u>819,541</u> | <u>10,496,017</u> | <u>510,655</u> | <u>11,826,213</u> |
| Total | | <u>882,340</u> | <u>10,507,311</u> | <u>510,655</u> | <u>11,900,306</u> |
| Net income | | 89,213 | 94,360 | 46,908 | 230,481 |
| Transfers between funds | | (45,465) | (480,272) | 525,737 | - |
| Other recognised gains and losses | | | | | |
| Actuarial (loss)/gain on defined benefit pension schemes | 25 | <u>-</u> | <u>(1,978,000)</u> | <u>-</u> | <u>(1,978,000)</u> |
| Net movement in funds/(deficit) | | 43,748 | (2,363,912) | 572,645 | (1,747,519) |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2015 | | <u>1,937,168</u> | <u>(1,940,346)</u> | <u>18,939,395</u> | <u>18,936,217</u> |
| Total funds/(deficit) carried forward at 31 August 2016 | | <u>1,980,916</u> | <u>(4,304,258)</u> | <u>19,512,040</u> | <u>17,188,698</u> |

Newquay Education Trust

Statement of Financial Activities for the Period from 26 March 2014 to 31 August 2015 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2015 £ |
|--|------|-------------------------|-------------------------------|-----------------------------------|-------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | 7,643 | 31,313 | 411,130 | 450,086 |
| Transfer on conversion | | 1,709,072 | (1,494,744) | 18,946,500 | 19,160,828 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy Trust's educational operations | 3 | 336,477 | 10,639,758 | - | 10,976,235 |
| Other trading activities | 4 | 232,621 | - | - | 232,621 |
| Investments | 5 | 13,261 | - | - | 13,261 |
| Total | | <u>2,299,074</u> | <u>9,176,327</u> | <u>19,357,630</u> | <u>30,833,031</u> |
| Expenditure on: | | | | | |
| Raising funds | 6 | 64,281 | 15,145 | - | 79,426 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | <u>279,956</u> | <u>11,108,374</u> | <u>501,058</u> | <u>11,889,388</u> |
| Total | | <u>344,237</u> | <u>11,123,519</u> | <u>501,058</u> | <u>11,968,814</u> |
| Net income/(expenditure) | | 1,954,837 | (1,947,192) | 18,856,572 | 18,864,217 |
| Transfers between funds | | (17,669) | (65,154) | 82,823 | - |
| Other recognised gains and losses | | | | | |
| Actuarial (loss)/gain on defined benefit pension schemes | 25 | <u>-</u> | <u>72,000</u> | <u>-</u> | <u>72,000</u> |
| Net movement in funds/(deficit) | | <u>1,937,168</u> | <u>(1,940,346)</u> | <u>18,939,395</u> | <u>18,936,217</u> |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) carried forward at 31 August 2015 | | <u>1,937,168</u> | <u>(1,940,346)</u> | <u>18,939,395</u> | <u>18,936,217</u> |

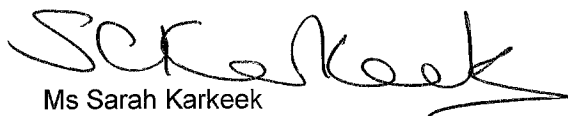
Newquay Education Trust

(Registration number: 8961355)

Balance Sheet as at 31 August 2016

| | Note | 31 August 2016 £ | 31 August 2015 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 19,897,994 | 19,073,925 |
| Current assets | | | |
| Debtors | 13 | 362,612 | 288,804 |
| Cash at bank and in hand | | <u>2,326,358</u> | <u>2,853,372</u> |
| | | 2,688,970 | 3,142,176 |
| Creditors: Amounts falling due within one year | 14 | <u>(809,162)</u> | <u>(936,717)</u> |
| Net current assets | | <u>1,879,808</u> | <u>2,205,459</u> |
| Total assets less current liabilities | | 21,777,802 | 21,279,384 |
| Creditors: Amounts falling due after more than one year | 15 | <u>(186,104)</u> | <u>(109,167)</u> |
| Net assets excluding pension liability | | 21,591,698 | 21,170,217 |
| Defined benefit pension scheme liability | 25 | <u>(4,403,000)</u> | <u>(2,234,000)</u> |
| Total assets | | <u><u>17,188,698</u></u> | <u><u>18,936,217</u></u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | 98,742 | 293,654 |
| Restricted fixed asset fund | | 19,512,040 | 18,939,395 |
| Restricted pension fund | | <u>(4,403,000)</u> | <u>(2,234,000)</u> |
| | | <u>15,207,782</u> | <u>16,999,049</u> |
| Unrestricted funds | | | |
| Unrestricted general fund | | 1,774,180 | 1,730,432 |
| Unrestricted fixed asset fund | | <u>206,736</u> | <u>206,736</u> |
| | | <u>1,980,916</u> | <u>1,937,168</u> |
| Total funds | | <u><u>17,188,698</u></u> | <u><u>18,936,217</u></u> |

The financial statements on pages 38 to 69 were approved by the Trustees, and authorised for issue on 15/12/16 and signed on their behalf by:


Ms Sarah Karkeek
Trustee

Newquay Education Trust

Statement of Cash Flows for the Year Ended 31 August 2016

| | Note | 31 August 2016 £ | 31 August 2015 £ |
|---|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 148,624 | 3,129,824 |
| Cash flows from investing activities | 22 | (775,638) | (276,452) |
| Cash flows from financing activities | 21 | <u>100,000</u> | <u>-</u> |
| Change in cash and cash equivalents in the year | | (527,014) | 2,853,372 |
| Cash and cash equivalents at 1 September | | <u>2,853,372</u> | <u>-</u> |
| Cash and cash equivalents at 31 August | 23 | <u><u>2,326,358</u></u> | <u><u>2,853,372</u></u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in income from 'Donations and capital grants' instead of 'Charitable activities'. The prior year grants have also been reallocated.

Newquay Education Trust meets the definition of a public benefit entity under FRS 102. These financial statements are the first financial statements of Newquay Education Trust prepared in accordance with FRS 102. Refer to note 28 for more details on the first time adoption and explanation of transition to FRS 102.

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. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Grants

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

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

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

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 the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

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.

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.

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

| Asset class | Depreciation method and rate |
|--------------------------|-------------------------------------|
| 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 |

Liabilities

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

Provisions

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

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

Leased assets

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

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 Year Ended 31 August 2016 (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 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 quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total 2016 £ | Total 31 August 2015 £ |
|-------------------------------|----------------------------|--------------------------|---|--------------------|---------------------------------|
| Other voluntary income | | | | | |
| Capital grants | - | - | 552,563 | 552,563 | 411,130 |
| Other donations | 676 | 32,091 | 5,000 | 37,767 | 38,956 |
| | <u>676</u> | <u>32,091</u> | <u>557,563</u> | <u>590,330</u> | <u>450,086</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2016 £ | Total 31 August 2015 £ |
|---|----------------------------|--------------------------|--------------------|---------------------------------|
| DfE/EFA revenue grants | | | | |
| General Annual Grant | - | 9,812,597 | 9,812,597 | 9,620,466 |
| Pupil Premium | - | 446,580 | 446,580 | 466,277 |
| Other EFA grants | - | 162,058 | 162,058 | 68,620 |
| | - | 10,421,235 | 10,421,235 | 10,155,363 |
| Other government grants | | | | |
| National Leader of Education | - | 55,000 | 55,000 | 96,349 |
| Other LA Funding | 930 | 12,075 | 13,005 | 42,714 |
| SEN Funding | - | 51,470 | 51,470 | 86,222 |
| Pupil Premium - LA | - | 29,800 | 29,800 | 46,560 |
| | 930 | 148,345 | 149,275 | 271,845 |
| Non-government grants and other income | | | | |
| Exam and trips income | 280,345 | - | 280,345 | 215,069 |
| Catering income | 295,094 | - | 295,094 | 257,532 |
| Other insurance claims | 7,479 | - | 7,479 | 4,427 |
| Other income | 61,063 | - | 61,063 | 71,999 |
| | 643,981 | - | 643,981 | 549,027 |
| Total grants | 644,911 | 10,569,580 | 11,214,491 | 10,976,235 |

4 Other trading activities

| | Unrestricted funds £ | Total 2016 £ | Total 31 August 2015 £ |
|--------------------|----------------------------|--------------------|---------------------------------|
| Hire of facilities | 61,084 | 61,084 | 66,513 |
| School shop sales | 18,202 | 18,202 | 10,435 |
| Other income | 231,649 | 231,649 | 155,673 |
| | 310,935 | 310,935 | 232,621 |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

5 Investment income

| | Unrestricted funds £ | Total 2016 £ | Total 31 August 2015 £ |
|---------------------|-------------------------|-----------------|---------------------------|
| Short term deposits | <u>15,031</u> | <u>15,031</u> | <u>13,261</u> |

6 Resources expended

| | Non Pay Expenditure | | | Total 2016 £ | Total 31 August 2015 £ |
|---|---------------------|------------------|------------------|-------------------|---------------------------|
| | Staff costs £ | Premises £ | Other costs £ | | |
| Expenditure on raising funds | - | - | 74,093 | 74,093 | 79,426 |
| Academy's educational operations | | | | | |
| Direct costs | 7,605,490 | - | 406,447 | 8,011,937 | 7,947,507 |
| Allocated support costs | <u>1,542,752</u> | <u>1,275,108</u> | <u>996,416</u> | <u>3,814,276</u> | <u>3,941,881</u> |
| | <u>9,148,242</u> | <u>1,275,108</u> | <u>1,476,956</u> | <u>11,900,306</u> | <u>11,968,814</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

| | 31 August 2016 £ | 31 August 2015 £ |
|---------------------------------|------------------------|------------------------|
| Operating leases - other leases | 3,248 | 3,248 |
| Fees payable to auditor - audit | 5,125 | 5,000 |
| - other audit services | 4,378 | 15,150 |
| Depreciation | <u>524,163</u> | <u>502,724</u> |

Included within expenditure are the following transactions.

| | Total £ | Individual items above £5,000 | |
|---------------------|---------|-------------------------------|--------|
| | | Amount £ | Reason |
| Unrecoverable debts | 69 | - | N/A |

7 Charitable activities

| | Total 2016 £ | Total 31 August 2015 £ |
|--|--------------------|---------------------------------|
| Direct costs - educational operations | 8,011,937 | 7,947,507 |
| Support costs - educational operations | <u>3,814,276</u> | <u>3,941,881</u> |
| | <u>11,826,213</u> | <u>11,889,388</u> |

| | Educational operations £ | Total 2016 £ | Total 31 August 2015 £ |
|---|--------------------------------|--------------------|---------------------------------|
| Analysis of support costs | | | |
| Support staff costs | 1,542,752 | 1,542,752 | 1,557,274 |
| Depreciation | 524,163 | 524,163 | 502,724 |
| Premises costs | 750,945 | 750,945 | 828,370 |
| Other support costs | 986,913 | 986,913 | 1,033,363 |
| Governance costs (audit and accountancy fees) | <u>9,503</u> | <u>9,503</u> | <u>20,150</u> |
| Total support costs | <u>3,814,276</u> | <u>3,814,276</u> | <u>3,941,881</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff

Staff costs

| | 2016 £ | 31 August 2015 £ |
|--|------------------|------------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 7,090,556 | 7,112,602 |
| Social security costs | 595,157 | 536,506 |
| Pension costs | 1,257,899 | 1,154,690 |
| | <u>8,943,612</u> | <u>8,803,798</u> |
| Supply teacher costs | 153,814 | 183,453 |
| Staff restructuring costs | 50,816 | 96,987 |
| | <u>9,148,242</u> | <u>9,084,238</u> |

| | 2016 £ | 31 August 2015 £ |
|--|---------------|------------------------|
| Staff restructuring costs comprise: | | |
| Redundancy payments | 37,936 | - |
| Severance payments | 12,880 | 96,987 |
| | <u>50,816</u> | <u>96,987</u> |

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,880 (2015: £96,987). Individually, the payments were:

Non-statutory payments £7,500

Non-statutory payments £5,380

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

Staff numbers

The average number of persons (including executive leadership) employed by the Academy Trust during the year expressed as an average headcount was as follows:

| | 31 August 2016 No | 31 August 2015 No |
|--|-------------------------|-------------------------|
| Charitable Activities | | |
| Teachers | 131 | 132 |
| Administration and support (including teaching assistants) | 125 | 128 |
| Management | 20 | 20 |
| | <u>276</u> | <u>280</u> |

Higher paid staff

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

| | 31 August 2016 No | 31 August 2015 No |
|---------------------|-------------------------|-------------------------|
| £60,001 - £70,000 | 2 | 3 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | 1 | 1 |
| £100,001 - £110,000 | 1 | - |
| £120,001 - £130,000 | - | 1 |
| | <u>-</u> | <u>1</u> |

The key management personnel of the Academy Trust comprise the Trustees and the Executive Leadership as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £389,427 (2015: £409,288).

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

9 Central services

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

- Finance support
- IT support
- CEO
- Data Manager
- Director of Finance and Estates
- HR Support

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

- Central services costs are allocated to individual schools on a pupil basis.

10 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:

Mr Steven Dunn (Management):

Remuneration: £10,000 - £15,000 (2015 - £10,000 - £15,000)
Employer's pension contributions: £Nil (2015 - £Nil)

Mrs Sue Martin (Principal):

Remuneration: £100,000 - £105,000 (2015 - £125,000 - £130,000)
Employer's pension contributions: £10,000 - £15,000 (2015 - £15,000 - £20,000)

During the year ended 31 August 2016, no travel and subsistence expenses were paid to trustees.

Other related party transactions involving the Trustees are set out in note 26.

11 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 2016 is included in the premium of £1,267 (2015 £3,104).

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

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

12 Tangible fixed assets

| | Freehold land and buildings £ | Leasehold land and buildings £ | Furniture and equipment £ | Motor vehicles £ | Computer equipment £ | Total £ |
|-----------------------|--|---|------------------------------------|------------------------|----------------------------|-------------------|
| Cost | | | | | | |
| At 1 September 2015 | 14,814,997 | 4,071,681 | 55,388 | 3,124 | 631,459 | 19,576,649 |
| Additions | <u>535,184</u> | <u>488,085</u> | <u>224,837</u> | <u>-</u> | <u>100,126</u> | <u>1,348,232</u> |
| At 31 August 2016 | <u>15,350,181</u> | <u>4,559,766</u> | <u>280,225</u> | <u>3,124</u> | <u>731,585</u> | <u>20,924,881</u> |
| Depreciation | | | | | | |
| At 1 September 2015 | 248,797 | 81,434 | 13,847 | 781 | 157,865 | 502,724 |
| Charge for the year | <u>258,792</u> | <u>71,937</u> | <u>29,476</u> | <u>781</u> | <u>163,177</u> | <u>524,163</u> |
| At 31 August 2016 | <u>507,589</u> | <u>153,371</u> | <u>43,323</u> | <u>1,562</u> | <u>321,042</u> | <u>1,026,887</u> |
| Net book value | | | | | | |
| At 31 August 2016 | <u>14,842,592</u> | <u>4,406,395</u> | <u>236,902</u> | <u>1,562</u> | <u>410,543</u> | <u>19,897,994</u> |
| 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> |

13 Debtors

| | 31 August 2016 £ | 31 August 2015 £ |
|--------------------------------|------------------------|------------------------|
| Trade debtors | 8,141 | 15,239 |
| Prepayments | 63,726 | 73,673 |
| Accrued grant and other income | 147,098 | 187,678 |
| VAT recoverable | <u>143,647</u> | <u>12,214</u> |
| | <u>362,612</u> | <u>288,804</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Creditors: amounts falling due within one year

| | 31 August 2016 £ | 31 August 2015 £ |
|------------------------------------|------------------------|------------------------|
| Trade creditors | 118,758 | 141,877 |
| Other taxation and social security | 176,269 | 156,592 |
| Other creditors | 33,430 | 194,868 |
| Pension scheme creditor | 140,010 | 131,235 |
| Accruals | 262,300 | 232,002 |
| Deferred income | 78,395 | 80,143 |
| | <u>809,162</u> | <u>936,717</u> |

| | 31 August 2016 £ |
|--|------------------------|
| Deferred income | |
| Deferred income at 1 September 2015 | 80,143 |
| Resources deferred in the period | 78,395 |
| Amounts released from previous periods | <u>(80,143)</u> |
| Deferred income at 31 August 2016 | <u>78,395</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Creditors: amounts falling due within one year (continued)

The deferred income above relates to monies received in advance for trips, deposits, projects etc occurring in the following accounting period.

Included within other creditors is a loan of £19,397 from CIF which is provided on the following terms: 5 years 1.97% interest

Included within other creditors is a loan of £5,499 from Salix which is provided on the following terms: 3 years interest free

15 Creditors: amounts falling due after one year

| | 31 August 2016 £ | 31 August 2015 £ |
|--------------------|------------------------|------------------------|
| Long term creditor | <u>186,104</u> | <u>109,167</u> |

Included within other creditors is a loan of £80,603 from CIF which is provided on the following terms: 5 years 1.97% interest

Included within other creditors is a loan of £5,501 from Salix which is provided on the following terms: 3 years interest free

Included within other creditors is a loan of £100,000 from CIF which is provided on the following terms: 10 years 2.21% interest

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 Funds

| | Balance at 1 September 2015 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2016 £ |
|--|---|----------------------------|----------------------------|---|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | 237,235 | 9,812,597 | (9,566,212) | (483,620) | - |
| LA and other income | 27,032 | 12,075 | (39,107) | - | - |
| Pupil Premium | - | 446,580 | (446,580) | - | - |
| SEN Funding | - | 51,470 | (51,470) | - | - |
| Other DfE/EFA grants | 19,853 | 162,058 | (116,718) | - | 65,193 |
| National Leader for Education | - | 55,000 | (35,006) | 11,061 | 31,055 |
| Catering, trips and donation income | 9,534 | 32,091 | (31,418) | (7,713) | 2,494 |
| Pupil Premium - LA | - | 29,800 | (29,800) | - | - |
| | <u>293,654</u> | <u>10,601,671</u> | <u>(10,316,311)</u> | <u>(480,272)</u> | <u>98,742</u> |
| Restricted fixed asset funds | | | | | |
| EFA - DFC Grants | 94,851 | 42,982 | (30,731) | - | 107,102 |
| Assets transferred on conversion | 16,265,062 | - | (268,324) | - | 15,996,738 |
| Capital expenditure from GAG | 915,367 | - | (122,841) | 494,497 | 1,287,023 |
| EFA - ACMF | 1,591,945 | 459,581 | (78,321) | 31,240 | 2,004,445 |
| LA and other capital income | <u>72,170</u> | <u>55,000</u> | <u>(10,438)</u> | <u>-</u> | <u>116,732</u> |
| | 18,939,395 | 557,563 | (510,655) | 525,737 | 19,512,040 |
| Restricted pension funds | | | | | |
| LGPS pension | <u>(2,234,000)</u> | <u>-</u> | <u>(191,000)</u> | <u>(1,978,000)</u> | <u>(4,403,000)</u> |
| Total restricted funds | <u>16,999,049</u> | <u>11,159,234</u> | <u>(11,017,966)</u> | <u>(1,932,535)</u> | <u>15,207,782</u> |
| Unrestricted funds | | | | | |
| Unrestricted general funds | 1,730,432 | 971,553 | (882,340) | (45,465) | 1,774,180 |
| Unrestricted fixed asset funds | <u>206,736</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>206,736</u> |
| Total unrestricted funds | <u>1,937,168</u> | <u>971,553</u> | <u>(882,340)</u> | <u>(45,465)</u> | <u>1,980,916</u> |
| Total funds | <u>18,936,217</u> | <u>12,130,787</u> | <u>(11,900,306)</u> | <u>(1,978,000)</u> | <u>17,188,698</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 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.
- Pupil Premium is EFA Funding via census to be spent on supporting children on FSM to close the gap in attainment.
- 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.
- SEN is LA Funding based on Census 3 times a year for pupils with Special Educational Needs.
- LA and other income includes teaching schools, restricted donations, 16-18 bursary funding and other income.
- Other DfE/EFA grants includes funding for PE & Sports, Summer School, Yr 7 catch up and other income.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

| | Total £ |
|---|--------------------------|
| Newquay Tretherras | 1,432,011 |
| Newquay Junior Academy | <u>440,911</u> |
| Total before fixed assets and pension reserve | 1,872,922 |
| Fixed asset funds | 19,718,776 |
| LGPS pension reserve | <u>(4,403,000)</u> |
| Total | <u><u>17,188,698</u></u> |

Fixed assets funds includes unspent fixed asset funds of £31,781 received from the Condition Improvement Fund (CIF).

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 Funds (continued)

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 2016 £ |
|---------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| Newquay Tretherras | 5,939,402 | 1,215,800 | 142,582 | 1,540,199 | 8,837,983 |
| Newquay Junior Academy | 1,666,088 | 222,952 | 46,629 | 411,491 | 2,347,160 |
| Central services | - | - | - | 191,000 | 191,000 |
| Academy Trust | <u>7,605,490</u> | <u>1,438,752</u> | <u>189,211</u> | <u>2,142,690</u> | <u>11,376,143</u> |

17 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|-------------------------------------|---|-------------------|
| Tangible fixed assets | 206,736 | - | 19,691,258 | 19,897,994 |
| Current assets | 1,774,180 | 883,008 | 31,782 | 2,688,970 |
| Current liabilities | - | (784,266) | (24,896) | (809,162) |
| Creditors over 1 year | - | - | (186,104) | (186,104) |
| Pension scheme liability | - | (4,403,000) | - | (4,403,000) |
| Total net assets | <u>1,980,916</u> | <u>(4,304,258)</u> | <u>19,512,040</u> | <u>17,188,698</u> |

18 Capital commitments

| | 31 August 2016 £ | 31 August 2015 £ |
|--|------------------------|------------------------|
| Contracted for, but not provided in the financial statements | <u>125,412</u> | <u>529,570</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Financial commitments

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 31 August 2016 £ | 31 August 2015 £ |
|--|------------------------|------------------------|
| Amounts due within one year | 17,985 | 3,284 |
| Amounts due between one and five years | 43,731 | 3,695 |
| | <u>61,716</u> | <u>6,979</u> |

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

| | 31 August 2016 £ | 31 August 2015 £ |
|--|------------------------|------------------------|
| Net income | 230,481 | 18,864,217 |
| Depreciation | 524,163 | 502,724 |
| Capital grants from DfE and other capital income | (557,563) | (19,286,936) |
| Interest receivable | (15,031) | (13,261) |
| Defined benefit pension scheme obligation inherited | 104,000 | 123,000 |
| Defined benefit pension scheme cost less contributions payable | - | 25,000 |
| Defined benefit pension scheme finance cost | 87,000 | 80,000 |
| Increase in debtors | (73,808) | (288,804) |
| (Decrease)/increase in creditors | (150,618) | 1,045,884 |
| Pension deficit transferred on conversion | - | 2,078,000 |
| Net cash provided by Operating Activities | <u>148,624</u> | <u>3,129,824</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

21 Cash flows from financing activities

| | 31 August 2016 £ |
|---|---------------------------------|
| Cash inflows from new borrowing | <u>100,000</u> |
| Net cash provided by financing activities | <u><u>100,000</u></u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Cash flows from investing activities

| | 31 August 2016 £ | 31 August 2015 £ |
|---|------------------------|------------------------|
| Dividends, interest and rents from investments | 15,031 | 13,261 |
| Purchase of tangible fixed assets | (1,348,232) | (700,843) |
| Capital grants from DfE/EFA | 502,563 | 380,023 |
| Capital funding received from sponsors and others | 55,000 | 31,107 |
| Net cash used in investing activities | <u>(775,638)</u> | <u>(276,452)</u> |

23 Analysis of cash and cash equivalents

| | At 31 August 2016 £ | At 31 August 2015 £ |
|---------------------------------|---------------------------|---------------------------|
| Cash at bank and in hand | <u>2,326,358</u> | <u>2,853,372</u> |
| Total cash and cash equivalents | <u>2,326,358</u> | <u>2,853,372</u> |

24 Members' liability

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

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £140,010 (2015 - £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.

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.

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £937,776 (2015: £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 102 (FRS 102), 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 year ended 31 August 2016 was £395,000 (2015 - £384,000), of which employer's contributions totalled £305,000 (2015 - £292,000) and employees' contributions totalled £90,000 (2015 - £92,000). The agreed contribution rates for future years are 18.1% plus £29.8k per cent for employers and 5.5% - 11.4% 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 year. 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.

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.

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

| | At 31 August 2016 % | At 31 August 2015 % |
|--|---------------------------|---------------------------|
| Rate of increase in salaries | 4.10 | 4.60 |
| Rate of increase for pensions in payment/inflation | 2.10 | 2.70 |
| Discount rate for scheme liabilities | <u>2.10</u> | <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:

| | At 31 August 2016 | At 31 August 2015 |
|------------------------------|----------------------|----------------------|
| Retiring today | | |
| Males retiring today | 22.20 | 22.20 |
| Females retiring today | 24.40 | 24.40 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 24.40 | 24.40 |
| Females retiring in 20 years | <u>26.80</u> | <u>26.80</u> |

The actual return on scheme assets was (£117,000) (2015 - £113,000).

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

| | At 31 August 2016 £ | At 31 August 2015 £ |
|--|---------------------------|---------------------------|
| Equities | 2,155,680 | 1,528,480 |
| Corporate bonds | 1,931,130 | 1,864,000 |
| Property | 314,370 | 260,960 |
| Cash | <u>89,820</u> | <u>74,560</u> |
| Total market value of assets | 4,491,000 | 3,728,000 |
| Present value of scheme liabilities - funded | <u>(8,894,000)</u> | <u>(5,962,000)</u> |
| Deficit in the scheme | <u>(4,403,000)</u> | <u>(2,234,000)</u> |

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 31 August 2016 £ | 31 August 2015 £ |
|------------------------|------------------------|------------------------|
| Current service cost | 409,000 | 415,000 |
| Total operating charge | 409,000 | 415,000 |

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

| | 31 August 2016 £ | 31 August 2015 £ |
|---|------------------------|------------------------|
| At 1 September | 5,962,000 | 5,353,000 |
| Current service cost | 409,000 | 415,000 |
| Interest cost | 235,000 | 207,000 |
| Employee contributions | 90,000 | 92,000 |
| Actuarial losses/(gains) | 2,243,000 | (86,000) |
| Benefits paid | (45,000) | (44,000) |
| Plan introductions, benefit changes, curtailments and settlements | - | 25,000 |
| At 31 August | 8,894,000 | 5,962,000 |

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

| | 31 August 2016 £ | 31 August 2015 £ |
|---|------------------------|------------------------|
| At 1 September | 3,728,000 | 3,275,000 |
| Interest income | 148,000 | 127,000 |
| Return on plan assets (excluding net interest on the net defined pension liability) | 265,000 | (14,000) |
| Employer contributions | 305,000 | 292,000 |
| Employee contributions | 90,000 | 92,000 |
| Benefits paid | (45,000) | (44,000) |
| At 31 August | 4,491,000 | 3,728,000 |

26 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.

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

26 Related party transactions (continued)

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

The Learning Academy Trust

(D Hobbs (Member) is a Trustee of The Learning Academy Trust)

£33,550 (2015: £24,591) was received from The Learning Academy Trust in respect of services provided in the year. Expenditure of £18,058 (2015: £5,124) was paid to The Learning Academy Trust. At the balance sheet date the amount due to The Learning Academy Trust was £101 (2015 - £Nil).

Kernow Collaborative Trust

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

In the year £Nil (2015 £4,834) was paid to Kernow Collaborative Trust Limited in respect of services provided in the year.

Income of £Nil (2015 £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 (2015 - £Nil).

Atlantic Centre of Excellence Multi Academy Trust

(S Dunn (Trustee) and P Mason (Trustee) are Members / Trustees of Atlantic Centre of Excellence Multi Academy Trust)

In the year £24,898 (2015: £Nil) was received from Atlantic Centre of Excellence Multi Academy Trust in respect of services provided in the year. Expenditure of £25,258 (2015: £Nil) was paid to Atlantic Centre of Excellence Multi Academy Trust. At the balance sheet date the amount due to Atlantic Centre of Excellence Multi Academy Trust was £Nil (2015 - £Nil).

27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £35,114 and disbursed £27,164 from the fund. An amount of £7,950 is included in other creditors relating to undistributed funds to be allocated in the next accounting period.

Newquay Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

28 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Newquay Education Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Newquay Education Trust for the period ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the period ended 31/08/2015 and the date of transition to FRS 102 and SORP 2015 was therefore 26/03/2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 26 March 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenses by £64,000 and increase the credit in other recognised gains and losses in the SOFA by an equivalent amount.

Reallocation of governance costs

Governance costs are no longer disclosed separately on the Statement of Financial Activities. These costs have now been included within Charitable Activities.

Reallocation of other income

This income has now been included within Funding for the Academy Trust's educational operations, rather than separately on the face of the Statement of Financial Activities.