

JOYCE FRANKLAND ACADEMY, NEWPORT

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 8
Governance Statement	9 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Statement of Financial Activities Incorporating Income and Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 38

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees	Mr P Gray, Chair Mr R Vallance Mr G Farquhar, Principal Dr H Abrahams Dr H Binns Mrs J Collins (resigned 30 November 2015) Mr S Fanthorpe Mr P Milledge (resigned 25 March 2016) Mrs L McFarlane Ms K Turner (resigned 10 April 2016) Mr C Anderson Mrs F Coombe (resigned 31 July 2016) Mr S Shepperson Mr E Denyer (appointed 21 September 2015) Mr D Watts Ms L Summerfield (appointed 4 July 2016)
Chief Executive Officer	Mr G Farquhar
Academy Leadership Team	G Farquhar, Principal I Stoneham, Assistant Principal H Bibby, Assistant Principal L Gamble, Assistant Principal L Sharpe, Assistant Principal D Roberts, Assistant Principal
Company name	Joyce Frankland Academy, Newport
Registered and principal office	Bury Water Lane Newport Saffron Walden Essex CB11 3TR
Company registered number	08135395
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank plc 3 King Street Saffron Walden CB10 1HF
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Joyce Frankland Academy (the Charitable Company or the Trust) 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 Charitable Company operates an academy (the Academy, or the School) for pupils aged 11 to 18, it has a pupil capacity of 1,055 and had a roll of 866 in the October 2015 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary trustee documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in the respective note to the accounts.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed for a fixed term. The number of Trustees will not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum.

Subject to Articles 48-49 and 64, the Trust shall have the following Trustees:

- a) Up to 5 Trustees, appointed under Article 50
- b) Up to 3 Foundation Trustees appointed under Article 51
- c) A minimum of 2 and up to 4 Parent Trustees appointed under Articles 53-58
- d) Up to 2 Staff Trustees, subject to Article 50A
- e) The Principal
- f) Any additional Trustees, if appointed under Article 62, 62A or 68A
- g) Any further Trustees, if appointed under Article 63 or Article 68A.

The Trust may also have any Co-opted Trustee appointed under Article 59.

The total number of Trustees who are employed as part of the Trust (including the Principal) must not exceed one third of the total number of Trustees under Article 50A.

The Foundation may appoint 3 Foundation Trustees comprising:

- a) The Chairman of the Foundation
- b) 1 Representative of Newport parish Council
- c) 1 Representative of Gonville and Caius College, Cambridge

The Principal shall be treated as being ex officio Trustee.

Parent Trustees shall be elected by parents of the registered Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Board of Trustees if the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Trustee the Board of Trustees shall appoint a person who is the parent of a child registered at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Staff Trustees shall be elected by staff members of the Academy. A Staff Trustee must be a member of staff at the time when he/she is elected. If a Staff Trustee ceases to be a staff member then he/she shall be deemed to have resigned and cease to be a Trustee.

Any election of Staff Trustees which is contested shall be held by secret ballot.

The Trustees may appoint up to 3 Co-opted Trustees.

The term of office for any Trustee shall be 4 years, save that;

- a) This time limit will not apply to the Principal
- b) A Staff Trustee shall only hold office for so long as he/she continues to be employed
- c) The term of office may be shorter than 4 years for any Co-opted Trustee if the Trustees determine this at the time of appointment.

Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are issued with an induction pack that includes terms of reference for all the committees, a description of the role of a Trustee, the Academy Funding Agreement, Articles of Association, and Financial Regulations, the timetable of meetings and copies of recent minutes.

The Academy subscribes to the Essex County Council Governor Training Service and recommends Trustees access the site and take part in appropriate training where applicable, to ensure that they are fully trained to fulfil their role.

New Trustees are also entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Principal or Vice Principal. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides a programme of continued professional development led by school staff and links with the National Governors Association.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 3 occasions per year, is responsible for the strategic direction of the Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Principal with the Local Authority representative, and reviews them.

The Principal is the designated Accounting Officer of the Trust and has overall responsibility for the day to day financial management of the Charitable Company. The Principal has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own cost centres within their allocated budgets. A system of financial controls is in place to manage this process.

The Principal manages the Trust on a daily basis supported by an Academy Leadership Team (ALT). The ALT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Principal and the Board of Trustees as required for approval. Each member of the ALT has specific responsibilities to assist the Principal to manage certain aspects of the Academy.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust follows the LA agreed Pay Policy with regard to the setting of key management personnel pay, this policy is endorsed annually by the Board of Trustees

Following performance management meetings, pay recommendations within the recommended LA wage band are sent to the Audit, Pay and Personnel Committee along with evidence of targets met for approval.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

During the course of the school year the Trust worked with 8 local primary schools to deliver a high standard of physical education within local primary schools and holds the funding for this project.

The Academy is working with local primary and secondary schools within Uttlesford for the joint provision of a number of important pastoral services for pupils, such as counselling and psychology services.

The Joyce Frankland Trust (JFT), Newport (formerly Newport Free Grammar School Trust) is a separate trust set up to benefit the Academy. JFT owns land and buildings that the Academy operates from, it granted a long lease to the Academy in 2012 at nil rent.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 18.

Objectives, Strategies and Activities

Our Vision for Joyce Frankland Academy is to enable all students to achieve successful academic outcomes by sustaining:

- a) Positive relationships which are nurturing, supportive and mutually respectful.
- b) An environment where the uniqueness of every individual is appreciated.
- c) A safe, calm and happy place to work and learn.
- d) A rich and relevant curriculum with varied and exciting extra-curricular opportunities.
- e) A confident 'can do' approach to learning, underpinned by personalised pastoral care which allows students to flourish both now and in their future.

During the year the School has continued to work towards these aims by:

- ensuring that high and consistent standards were set and achieved in teaching and learning, underpinned and supported by robust systems of data collection and analysis so that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- continuing the focus on academic rigour being complemented by an extensive range of extra curricular activities, to ensure all aspects of students' development was maximised;
- improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the Academy's business in accordance with the highest standards of integrity.

These processes are regularly reviewed and subsequent improvements are made to their implementation.

Our success in fulfilling our aims can be measured by:

- The recent and improved Ofsted judgment of 'Good in All Areas'.
- Improving exam results and Key performance indicators including a significant narrowing the gap between identified cohorts of students (pupil premium, service children).
- Improved parental and student feedback.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Public Benefit

The Academy provides a non selective secondary education with a broad curriculum, pastoral care and a wide range of extra curriculum activities to provide further enrichment. The public benefit of this provision is identifiable in the educational attainment of our students as published on our website annually.

Joyce Frankland Academy, Newport is open to all 11- 18 years eligible under its admissions policy.

The Academy aims to get the best for, and from, each child, to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

The Trustees believe that by working towards the objects and aims of the Academy as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the school.

Specific achievements were as;

GCSE performance

- Headline figures have risen from 2014/15 with the highest percentage of A*-C in 3 years.
- Pupil progress in core subjects was above national figures.
- The gap between PP students and their peers has significantly reduced.
- English and Science results have risen to be significantly above national levels
- 25% students achieved A*-A in Maths

Post 16 performance based against ALPS targets

- Student performance is graded at ALPS 3 indicating 73% met their target.
- All students who applied to progress to university were successful.
- More students met the criteria to stay on to A2 courses this academic year
- Student performance data is ALPS rated 3 which indicates student performance against target is outstanding.

Co curricular programme

- The Academy has increased the extra curricular opportunities provided for students
- There has been an increased take up in the number of students taking part in extra curricular activities.

Staff retention

- Fewer staff have left the Academy in the past academic year than in the previous two
- 18 current members of staff have taken on positions with increased responsibility retaining their services in the Academy.
- Staff have taken up opportunities to achieve professional qualifications in terms of teaching, administrative support and school leadership.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016 was 866 (2015 was 893), this drop was due to local demographics. The Academy has been highlighted as a growth school by the LEA, this will significantly increase the number of pupils on its future roll. Currently PAN is 170 but this is being increased to 210 from September 2017.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 87% against a budgeted 88%. The staffing costs set against total income for 2015/16 including parental trip income was 80%.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Other key performance indicators formally approved by the Board of Trustees are:

- Income per pupil.
- Staff costs as a percentage of total expenditure.
- Capital expenditure per pupil.
- Unit cost per pupil.
- Liquidity ratio.
- Departmental budget expenditure.
- 6th form numbers.
- Performance at GCSE (%5A*-C, %5A*-C with English & Maths, % making expected progress in Maths and English, performance of students in receipt of pupil premium).
- OFSTED rating.

Due to a significant further reduction in Academy funding resulting from a drop in student numbers and current Government funding policies, a further restructuring of staffing and a full curriculum review will occur in 2016-17. The Board of Trustees considers that, on the best information available to it about the likely future levels of Government funding, this restructuring and the expected increase in pupil numbers from 2017 -18 will address the issues the Trustees have identified.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This presumption is made on the basis of short-term support from the LA and EFA, and a revised three-year financial plan. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The principle source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £4,942,540 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £5,014,557 on expenditure and transferred £170,027 to support capital new build and improvement projects on the School site. The Trust brought forward £402,182 from 14/15, the carry forward for 15/16 is £160,138.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,937,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. As set out above the amount held in usable reserves as at 31 August 2016 is £160,138. The Trustees consider it advantageous if the level of free cash reserves does not fall below an amount equivalent to one month's gross salary expenditure (£303,848) although they acknowledge that this will not be achievable in the year ahead. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Investment Policy

The Trust has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise its income but with minimal risk. This is by researching where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit, Personnel and Pay Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principle risks and uncertainties facing the Trust as follows:

- A material decrease in income affecting the delivery of the Academy's aims.
- An externally imposed increase to run rates in personnel and non personnel expenditure.
- Failure to retain key staff.
- Falling rolls, particularly in the sixth form where the Academy is facing tough competition. The Academy has made a number of major improvements to the facilities on offer to sixth form students and the Academy Leadership Team has made the recruitment and retention of existing Year 11 students into the sixth form a major priority.
- the Trust has considerable reliance on continued Government funding through the EFA and there is no assurance public funding will continue at the same levels or on the same terms.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels, and to attract more students to its sixth form, and to set a target of full student numbers for all year groups.

The Trustees will continue to pursue the Academy's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a diversity of learning environments will be required to deliver these.

In the short term the Trust is currently involved in the process of selling a small proportion of unused assets to secure funding for future capital investment. The Local Authority has also identified the Academy as the area school for growth and has provided funding for a new block of 8 classrooms.

Funds Held as Custodian Trustee on Behalf of Others

The Trust releases a member of staff to act as a primary school games organiser. This cost is covered by the local primary school within this group. These restricted funds are held and offset by the Trust against respective costs.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)


TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

Insofar 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

The Trustees' Report was approved by the Board of Trustees on 28.11.16 and signed on the Board's behalf by:


.....
Dr H Abrahams
Chairman

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board has delegated the day-to-day responsibility to the Principal, 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 Joyce Frankland Academy, Newport and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board has formally met 5 times during the year. Attendance during the year at meetings of the Board was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Gray, Chair	5	5
Mr R Vallance	0	5
Mr G Farquhar, Principal	5	5
Dr H Abrahams	5	5
Dr H Binns	5	5
Mrs J Collins (resigned 30 November 2015)	1	2
Mr S Fanthorpe	5	5
Mr P Milledge (resigned 25 March 2016)	3	4
Mrs L McFarlane	5	5
Ms K Turner (resigned 10 April 2016)	3	4
Mr C Anderson	4	5
Mrs F Coombe (resigned 31 July 2016)	3	5
Mr S Shepperson	4	5
Mr E Denyer (appointed 21 September 2015)	3	5
Mr D Watts	4	5
Ms L Summerfield (appointed 4 July 2016)	1	1

The main changes to governance in the year are as follows:

At the end of the academic year 2015/16, Paul Gray stepped down as Chair after four years in the position. Succession planning for the position began in September 2015 when Helen Abrahams was elected as vice-chair. Following a call for additional nominations in April, the Board agreed to appoint Dr Abrahams as Chair from September 2016. Mr Gray and Dr Abrahams ensured that there was a full handover of duties and clarity given on key issues and responsibilities.

A skills and training audit has been undertaken and a mapping exercise carried out to match Trustee skills and experience to specific roles on the Board. Guidance on best practice has been sought from a variety of sources including the NGA. The Board has adopted a Code of Conduct modelled on the NGA's code updated in 2016. There has also been a review of governor induction.

The skills' audit identified the need to increase the level of expertise in finance and HR. Two Trustees have now been appointed to address these skills' gaps. A record of each Trustee's skills and expertise has been established and has enabled individuals to be mapped against specific link responsibilities and training needs.

A self-evaluation will be conducted during the academic year 2016/17. Support for the review is available via the NGA and the Essex Schools Services. The Chair and the Vice-chair intend to meet with each Trustee during the course of the year to review individual expectations of, and contributions to, the Board.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Finance, Premises and Operations Committee is a sub-committee of the main Board. Its purpose is to address the financial and operational matters of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Gray, Chair	2	4
Mr P Milledge	3	3
Mrs J Collins	2	2
Mr G Farquhar, Principal	4	4
Ms K Turner	1	3
Mr C Anderson	4	4

The main points considered by the Finance, Premises and Operations Committee were:

- To decide upon the best means of fulfilling the Board's responsibilities to ensure good management of the School's finances and resources, including proper planning, monitoring and probity, compliance, propriety and regularity. To ensure the School is prudent and economical and avoids waste and extravagance and makes efficient and effective use of its resources.
- To consider and recommend to the Board the Trustee's budget before the start of each financial year.
- To review the Financial Regulations annually, putting any recommended changes to the Board for approval, and at all times ensure compliance with those regulations.
- To keep under review the Trust's actual financial performance compared with the budgeted performance and to take remedial action as necessary including any significant changes to the budget and changes of virements. Financial monitoring reports must be considered on at least a termly basis.
- To ensure all necessary financial compliance activities are in place and are reflected in the accountabilities of individual Trustee and member of staff.
- To keep under review the Trust's private unrestricted fund and to determine issues relating to the distribution of any surplus.
- To approve all contracts over the delegated budget of the Principal and to approve the exemptions from tendering and competitive quotation.
- To approve and recommend to the Board the Annual Report (in accordance with Companies Act and Charity Commission requirements) including Governors' Report, Governance Statement, Governors' Responsibilities Statement and Accounting Officer's Statement.
- Regularly to review the condition of the Academy buildings and environment; to determine plans for the improvement, extension or development of the Academy premises; and to approve an annual plan for the maintenance, repair and the renewal of the Academy premises and grounds.
- To monitor and approve school security arrangements.
- To ensure the appropriate insurances are in place and cover is adequate.
- To oversee and monitor Health & Safety Policy within the School and consider regular progress reports.
- To oversee the operational activities of the Trust outside the direct delivery of the curriculum.

In April 2016, the Chair of the Finance, Premises and Operations Committee stepped down. A new Foundation Trustee with considerable financial expertise was appointed in July. The Chair of the FGB is a member of the FPO committee.

The Audit, Pay and Personnel Committee is a sub-committee of the main Board of Trustess. Its purpose is to ensure effective auditing of the Trust operations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr H Abrahams	3	3
Mr C Anderson	3	3
Mr S Shepperson	3	3

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Audit Committee is authorised by the Governing Body to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries. Requests for work, and reports received, from internal audit will be channelled through the Accounting Officer, to whom the School Business Manager reports. The Committee will report at least once a year to the Governing Body on the discharge of its audit role.

The Audit Committee is authorised to obtain independent professional advice if it considers this necessary.

The overarching role of the Audit Committee is to provide assurance to the Board that systems of internal control and risk management are operating satisfactorily in line with the strategic decisions and priorities established by it. This covers both financial and non-financial issues. In exercising that role the Committee is free to review the actions both of the School leadership and staff and of other Board committees. The specific duties of the committee are:

- To review the effectiveness of the Trust internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
- To review and challenge the risk register (including the risks to internal control) and to agree a programme of work that will address these risks.
- To appoint annually Auditors to the Trust.
- To review the Trust internal and external financial statements and reports to ensure that they reflect best practice.
- To consider and advise the Board on the Trust annual and long-term audit programme in line with the standards specified in the Academies Financial Handbook and discuss with the external Auditor the nature and scope of each forthcoming audit.
- To consider all relevant reports by the Principal, School Finance Manager, Internal Auditor and the appointed external Auditor, including reports on the Trust accounts, achievement of value for money and the response to any management letters;
- To review the operation of the Trust codes of practice for Trustees and School staff policies.

The Committee maintained the same three Trustees throughout the year with the Vice-Chair, Dr Helen Abrahams acting as Chair of the Audit Committee.

REVIEW OF VALUE FOR MONEY

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

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

- Collaborate with the Local Authority and teaching alliance, including the sharing of resources and reducing of some middle management costs. Interventions have been significantly more target at identified groups of learners and in particular KS3 learners in order to close educational gaps earlier reducing the need for more costly interventions later on their schooling. Data systems have been bought into to reduce costs across the curriculum, this has included online homework systems and data collating systems which have moved the Trust away from costly paper based systems. This has also allowed for the reduction in administrative support staff.
- Reducing the number of subject options available to students at KS4, fewer subjects are offered and students study one subject less allowing for the reduction in some teaching time. At KS 5 subjects available have been significantly reduced. Intervention time is now built into the Academy day allowing better value for money as it runs at minimal additional cost. Some subjects have been significantly reduced at KS3 again allowing better value within the key stage.
- Improving internal management reporting and forecasting which has further engaged cost centre owners in the process and encouraged their ownership of expenditure and their consideration of value for money in all respective costs. There was also a change to the membership of the Finance, Premises and Operations Committee responsible for the governance of the Trust's finances to include an additional finance professional.
- Undertaking a full review of all of the Trust's financial contractual commitments. There have been no contracts signed during the year which have required a full tendering process prescribed by the Financial Regulations, however for each contract renewed over the value of £10,000 3 competitive quotes were sought and evaluated prior to contractual commitment. Consideration of the Crown Commercial Services framework formed part of the electricity contract renewal, and consideration of the EFA RPA scheme for our insurance renewal. To date this contractual review has resulted in the cancellation of a number of commitments and the reduction of items under specific contracts, this process is continuous with further economies anticipated in forthcoming years.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- Maximising Academy lettings income resulting in an increase of 40% year on year to £34,679. Our most marketable asset for this purpose was let at near capacity for the majority of the year. The Trust has also reviewed its main income drivers, identifying and resolving any inconsistencies.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Joyce Frankland Academy, Newport for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board;
- regular reviews by the Finance, Premises and Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board has considered the need for a specific internal audit function and has decided to appoint Essex County Council (ECC) as internal auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the Internal Auditor reports to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

The internal auditor completed a scheduled of 3 full day visits throughout the year. No material control issues were noted by either the external or the Internal Auditor.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Operations Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board on 28.11.16 and signed on their behalf, by:


.....
Dr H Abrahams
Chair of Trustees


.....
Mr G Farguhar
Accounting Officer

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Joyce Frankland Academy, Newport I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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 Board of Trustees and EFA.


.....
Mr G Farquhar
Accounting Officer

28.11.16

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as Governors of Joyce Frankland Academy, and are 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 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 the Board on 28.11.16 and signed on its behalf by:


.....
Dr H Abrahams
Chairman

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOYCE FRANKLAND ACADEMY, NEWPORT

We have audited the financial statements of Joyce Frankland Academy, Newport for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, 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 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 Trust'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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Trust'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
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOYCE
FRANKLAND ACADEMY, NEWPORT**

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.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
9 December 2016

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO JOYCE
FRANKLAND ACADEMY, NEWPORT AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2013 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 Joyce Frankland Academy, Newport during the year 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 Joyce Frankland Academy, Newport and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Joyce Frankland Academy, Newport 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 Joyce Frankland Academy, Newport and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF JOYCE FRANKLAND ACADEMY, NEWPORT'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Joyce Frankland Academy, Newport's funding agreement with the Secretary of State for Education dated 1 August 2012, 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 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 the 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO JOYCE
FRANKLAND ACADEMY, NEWPORT 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 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

9 December 2016

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	19,522	246,954	178,270	444,746	553,364
Charitable activities	3	5,296	4,397,483	-	4,402,779	4,726,736
Other trading activities	4	83,948	-	-	83,948	66,295
Investments		811	-	-	811	974
TOTAL INCOME		109,577	4,644,437	178,270	4,932,284	5,347,369
EXPENDITURE ON:						
Charitable activities		115,731	4,951,033	527,484	5,594,248	5,604,782
TOTAL EXPENDITURE	5	115,731	4,951,033	527,484	5,594,248	5,604,782
NET EXPENDITURE BEFORE TRANSFERS		(6,154)	(306,596)	(349,214)	(661,964)	(257,413)
Transfers between funds	14	-	(5,538)	5,538	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(6,154)	(312,134)	(343,676)	(661,964)	(257,413)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(630,000)	-	(630,000)	37,000
NET MOVEMENT IN FUNDS		(6,154)	(942,134)	(343,676)	(1,291,964)	(220,413)
RECONCILIATION OF FUNDS:						
Total funds brought forward		60,146	(896,964)	15,063,440	14,226,622	14,447,035
TOTAL FUNDS CARRIED FORWARD		53,992	(1,839,098)	14,719,764	12,934,658	14,226,622

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08135395

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	11		14,711,521		15,063,440
CURRENT ASSETS					
Debtors	12	59,480		91,392	
Cash at bank and in hand		447,007		633,081	
		<u>506,487</u>		<u>724,473</u>	
CREDITORS: amounts falling due within one year	13	<u>(346,350)</u>		<u>(322,291)</u>	
NET CURRENT ASSETS			160,137		402,182
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,871,658</u>		<u>15,465,622</u>
Defined benefit pension scheme liability	19		<u>(1,937,000)</u>		<u>(1,239,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>12,934,658</u></u>		<u><u>14,226,622</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	14	97,902		342,036	
Restricted fixed asset funds	14	14,719,764		15,063,440	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		14,817,666		15,405,476	
Pension reserve		<u>(1,937,000)</u>		<u>(1,239,000)</u>	
Total restricted income funds			12,880,666		14,166,476
Unrestricted income funds	14		<u>53,992</u>		<u>60,146</u>
TOTAL FUNDS			<u><u>12,934,658</u></u>		<u><u>14,226,622</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28.11.16 and are signed on their behalf, by:

..... *Heh Abrahams*
Dr H Abrahams
Chairman

The notes on pages 23 to 38 form part of these financial statements.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	(181,347)	181,727
Cash flows from investing activities:			
Interest received		811	974
Capital expenditure		(5,538)	(207,216)
Net cash used in investing activities		(4,727)	(206,242)
Change in cash and cash equivalents in the year		(186,074)	(24,515)
Cash and cash equivalents brought forward		633,081	657,596
Cash and cash equivalents carried forward		447,007	633,081

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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.

Joyce Frankland Academy, Newport constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Joyce Frankland Academy, Newport 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 Joyce Frankland Academy, Newport for the year ended 31 August 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.

Any reconciliations to previous UK GAAP for the comparative figures are included in note 23.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 of the restricted fixed asset fund.

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

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Buildings	-	50 years straight line
Leasehold Land	-	over the duration of the lease
Additional Leasehold Improvements	-	35 years straight line
Motor vehicles	-	5 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	1-5 years straight line
Historic Buildings	-	No depreciation

1.7 Operating leases

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

1.8 Taxation

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

1.9 Liabilities and provisions

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

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

Retirement benefits to employees of the 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 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account 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.

1.11 Agency Arrangements

The 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 Trust does not have control over the charitable application of the funds. The Trust can not use any towards its own administration costs and this is recognised in the Statement of Financial Activities.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 19, 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.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	19,522	246,954	-	266,476	392,427
Capital grants	-	-	178,270	178,270	160,937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	19,522	246,954	178,270	444,746	553,364
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £110,915 was to unrestricted funds and £442,449 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,146,336	4,146,336	4,434,061
Other DfE / EFA grants	-	106,630	106,630	121,025
	<hr/>	<hr/>	<hr/>	<hr/>
	-	4,252,966	4,252,966	4,555,086
	<hr/>	<hr/>	<hr/>	<hr/>
Other government grants				
Local authority grants	-	144,517	144,517	169,113
	<hr/>	<hr/>	<hr/>	<hr/>
	-	144,517	144,517	169,113
	<hr/>	<hr/>	<hr/>	<hr/>
Other funding				
Catering income	5,296	-	5,296	2,537
	<hr/>	<hr/>	<hr/>	<hr/>
	5,296	-	5,296	2,537
	<hr/>	<hr/>	<hr/>	<hr/>
	5,296	4,397,483	4,402,779	4,726,736
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from charitable activities, £2,537 was to unrestricted funds and £4,724,199 was to restricted funds.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	34,680	34,680	24,839
Other activities	49,268	49,268	41,456
	<u>83,948</u>	<u>83,948</u>	<u>66,295</u>

In 2015, of the total income from other trading activities, £66,295 was to unrestricted funds and £ NIL was to restricted funds.

5. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of education:					
Direct costs	3,270,566	-	418,183	3,688,749	3,750,397
Support costs	672,680	302,188	930,631	1,905,499	1,854,385
	<u>3,943,246</u>	<u>302,188</u>	<u>1,348,814</u>	<u>5,594,248</u>	<u>5,604,782</u>

In 2016, of the total expenditure, £94,322 (2015 - £380,945) was to unrestricted funds and £5,499,926 (2015 - £5,223,837) was to restricted funds.

6. CHARITABLE ACTIVITIES

	2016 £	As restated 2015 £
Direct costs	3,688,749	3,750,397
Support costs	1,905,499	1,854,385
	<u>5,594,248</u>	<u>5,604,782</u>

Analysis of support costs	2016 £	2015 £
Support staff costs	672,680	605,917
Depreciation	357,457	367,027
Technology costs	34,904	54,034
Premises costs	302,188	753,441
Other support costs	503,756	61,151
Governance costs	34,514	12,815
	<u>1,905,499</u>	<u>1,854,385</u>

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned or leased by the Trust	357,457	367,027
Auditors' remuneration	6,750	6,500
Auditors' non audit costs	4,500	4,800
Internal audit costs	1,230	1,300
	<u>369,937</u>	<u>379,627</u>

8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,036,275	3,041,703
Social security costs	252,453	217,842
Operating costs of defined benefit pension schemes	405,817	377,089
	<u>3,694,545</u>	<u>3,636,634</u>
Supply teacher costs	248,701	352,286
	<u>3,943,246</u>	<u>3,988,920</u>

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

	2016 No.	2015 No.
Teaching	60	53
Administrative and support	27	50
Management	7	7
	<u>94</u>	<u>110</u>

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

	2016 No.	2015 No.
In the band £ 70,001 - £ 80,000	2	2

The key management personnel of the Trust comprise the Trustees and the Academy Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £513,578 (2015: £481,588).

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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 G Farquhar (Principal and Trustee):

Remuneration £75,000 - £80,000 (2015: £75,000 - £80,000)

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

Mrs K Turner (Vice Principal and Trustee):

Remuneration £40,000 - £45,000 (2015: £65,000 - £70,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

Mrs F Coombe (Staff Trustee):

Remuneration £5,000 - £10,000 (2015: £Nil)

Employer's pension contributions paid £0,000 - £5,000 (2015: £Nil)

During the period ended 31 August 2016 there were not any expenses to Trustees.

During the period ended 31 August 2015, expenses totalling £1,121 in pursuance of their employment was reimbursed to 1 Trustee.

Other related party transactions involving the Trustees are set out in note 21.

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 is included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	15,539,535	9,500	383,921	222,814	16,155,770
Additions	-	-	-	5,538	5,538
At 31 August 2016	15,539,535	9,500	383,921	228,352	16,161,308
Depreciation					
At 1 September 2015	751,540	7,900	161,782	171,108	1,092,330
Charge for the year	253,727	800	63,628	39,302	357,457
At 31 August 2016	1,005,267	8,700	225,410	210,410	1,449,787
Net book value					
At 31 August 2016	14,534,268	800	158,511	17,942	14,711,521
At 31 August 2015	14,787,995	1,600	222,139	51,706	15,063,440

The long term leasehold property has been included in the accounts based on the valuation provided by the EFA using depreciated replacement cost. The Trustees believe that the cost of obtaining a more detailed valuation outweighs the benefit.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. DEBTORS

	2016 £	2015 £
Trade debtors	18,112	-
VAT recoverable	6,445	41,202
Prepayments and accrued income	34,923	50,190
	<u>59,480</u>	<u>91,392</u>

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	745	-
Other taxation and social security	127,374	116,130
Other creditors	39,627	94,692
Accruals and deferred income	178,604	111,469
	<u>346,350</u>	<u>322,291</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	80,363	32,271
Resources deferred during the year	98,178	80,363
Amounts released from previous years	(80,363)	(32,271)
	<u>98,178</u>	<u>80,363</u>
Deferred income at 31 August 2016	<u>98,178</u>	<u>80,363</u>

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	60,146	109,577	(115,731)	-	-	53,992
Restricted funds						
General Annual Grant (GAG)	143,804	4,146,334	(4,284,600)	(5,538)	-	-
Pupil Premium	19,933	99,387	(117,729)	-	-	1,591
SEN	-	75,692	(75,692)	-	-	-
Educational visits	-	225,087	(225,087)	-	-	-
Other DfE/EFA grants	-	5,118	(5,118)	-	-	-
Other restricted funds	178,299	92,819	(174,807)	-	-	96,311
Pension reserve	(1,239,000)	-	(68,000)	-	(630,000)	(1,937,000)
	(896,964)	4,644,437	(4,951,033)	(5,538)	(630,000)	(1,839,098)
Restricted fixed asset funds						
Restricted fixed asset fund	15,063,440	-	(357,458)	5,538	-	14,711,520
Condition Improvement Fund (CIF)	-	178,270	(170,026)	-	-	8,244
	15,063,440	178,270	(527,484)	5,538	-	14,719,764
Total restricted funds	14,166,476	4,822,707	(5,478,517)	-	(630,000)	12,880,666
Total of funds	14,226,622	4,932,284	(5,594,248)	-	(630,000)	12,934,658

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

Unrestricted funds

This represents income received that does not have restrictions.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Special Educational Needs (SEN)

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

Educational Visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Other DfE/EFA grants

This represents various grants from the Department for Education and Education Funding Agency for the provision of specific services to pupils of the Academy.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STATEMENT OF FUNDS (continued)

Other restricted funds

This represents income received in the year which is restricted in nature.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

This represents the value of the fixed assets held in line with the charitable objectives of the Trust.

Condition Improvement Fund (CIF)

This represents funding received from the EFA for the purpose of specific capital projects.

General Annual Grant (GAG)

This represents funding from the EFA to be used for the normal running costs of the Trust, including education and support costs.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	(8,244)	-	14,719,765	14,711,521	15,063,440
Current assets	75,400	431,087	-	506,487	724,473
Creditors due within one year	(13,165)	(333,185)	-	(346,350)	(322,291)
Provisions for liabilities and charges	-	(1,937,000)	-	(1,937,000)	(1,239,000)
	<u>53,992</u>	<u>(1,839,098)</u>	<u>14,719,764</u>	<u>12,934,658</u>	<u>14,226,622</u>

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of Financial Activities)	(661,964)	(257,413)
Adjustment for:		
Depreciation charges	357,457	367,027
Dividends, interest and rents from investments	(811)	(974)
Decrease/(increase) in debtors	31,912	(28,786)
Increase in creditors	24,059	22,873
Pension adjustments	68,000	79,000
Net cash (used in)/provided by operating activities	(181,347)	181,727

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	447,007	633,081
Total	447,007	633,081

18. MEMBERS' LIABILITY

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

19. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £51,400 were payable to the schemes at 31 August 2016 (2015 - £48,646) 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.

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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 £214,386 (2015 - £280,650).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £171,000 (2015 - £190,000), of which employer's contributions totalled £137,000 (2015 - £149,000) and employees' contributions totalled £34,000 (2015 - £41,000). The agreed contribution rates for future years are 12.3% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	- %	5.30 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	473,000	303,000
Debt instruments	55,000	65,000
Property	75,000	56,000
Alternative assets	27,000	33,000
Other managed funds	34,000	-
Cash	21,000	9,000
Total market value of assets	685,000	466,000

The actual return on scheme assets was £80,000 (2015 £18,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(148,000)	(181,000)
Net interest cost	(47,000)	(47,000)
Past service cost	(10,000)	-
Total	(205,000)	(228,000)
Actual return on scheme assets	80,000	18,000

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

	2016 £	2015 £
Opening defined benefit obligation	1,705,000	1,469,000
Current service cost	148,000	181,000
Interest cost	68,000	61,000
Contributions by employees	34,000	41,000
Actuarial losses/(gains)	689,000	(33,000)
Past service costs	10,000	-
Benefits paid	(32,000)	(14,000)
Closing defined benefit obligation	2,622,000	1,705,000

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	466,000	272,000
Interest income	21,000	14,000
Actuarial gains and (losses)	59,000	4,000
Contributions by employer	137,000	149,000
Contributions by employees	34,000	41,000
Benefits paid	(32,000)	(14,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	685,000	466,000
	<hr/>	<hr/>

20. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	14,114	19,100
Between 1 and 5 years	8,231	12,920
	<hr/>	<hr/>
Total	22,345	32,020
	<hr/>	<hr/>

21. RELATED PARTY TRANSACTIONS

The Trust has entered into a long term lease with Joyce Frankland Newport Trust (previously Newport Free Grammar School Trust) for the premises that it uses to fulfil its charitable objectives. The Trust does not pay rent for the use of the land and buildings. A gift in kind in relation to this arrangement has not been recognised in the Statement Of Financial Activities as the Trustees do not consider that the benefit can be reasonably quantified or measured.

During the year The Joyce Frankland Newport Trust did not make any gifts of investments to the Academy (2015 - £243,547).

The spouse of a Trustee is employed by the Trust on a contract approved by Trustees whose remuneration is in line with the standard pay scales for the role undertaken and their employment contract is subject to normal terms and conditions.

During the year the Trust was charged £7,274 (2015 £9,317) from Swan Astro Limited, a company limited by guarantee, where two of the Trustees are Directors but with no financial interest, for the use of their facilities.

The amount due to related parties at the year end was £NIL (2015 £NIL).

JOYCE FRANKLAND ACADEMY, NEWPORT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £5,118 and disbursed £5,118 from the fund. There is not an amount (2015 - £3,459) included in other creditors relating to undistributed funds that are repayable to the EFA.

The total 16-19 bursary fund is £18,155, inclusive of unspent funds from previous years.

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the 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 year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		14,447,035	14,226,622
Total funds reported under FRS 102		<u>14,447,035</u>	<u>14,226,622</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(252,413)
Change in recognition of LGPS interest cost	A	(5,000)
Net movement in funds reported under FRS 102		<u>(257,413)</u>

Explanation of changes to previously reported funds and net income/expenditure:

The change represents the recognition of the net interest expense under FRS102.