

**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Trustees and members</b>	M Argles <sup>1</sup> C Body <sup>2</sup> D Buss <sup>2</sup> J Cayzer, Chair (resigned 31 August 2019) <sup>1,2</sup> E Davidson (resigned 31 August 2019) <sup>2</sup> J Edwards <sup>1</sup> D Elliott, Head Teacher <sup>1,2</sup> M Gibbard (resigned 12 September 2018) <sup>2</sup> J Hopkinson, Chair <sup>1</sup> N Ingram <sup>1</sup> J Morris (resigned 31 August 2019) <sup>2</sup> S Read (resigned 17 December 2018) <sup>2</sup> S Renny <sup>1</sup> K Royce <sup>2</sup> S Ruty (resigned 31 August 2019) <sup>1</sup> N Stradling <sup>2</sup> A Watts (resigned 31 August 2019) <sup>1</sup> M West (resigned 11 February 2019) <sup>1,2</sup>  <sup>1</sup> Education Committee <sup>2</sup> Resources Committee
<b>Company registered number</b>	08084047
<b>Company name</b>	Nailsea School
<b>Principal and registered office</b>	Mizzymeade Road Nailsea Bristol BS48 2HN
<b>Accounting officer</b>	D Elliott
<b>Senior leadership team</b>	D Elliott, Headteacher S Hurlow, Business Manager L Creswick, Assistant Headteacher C Mawford, Assistant Headteacher D Graffagnino, Associate Assistant Headteacher S Ruty, Associate Assistant Headteacher K Dee, Associate Assistant Headteacher
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT

**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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<b>Bankers</b>	Lloyds Bank Plc 16 The Triangle Clevedon North Somerset BS21 6NB
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ

**NAILSEA SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 19 in Nailsea, North Somerset. It has a pupil capacity of 1,300 and had a roll of 972 in the school census on 3 October 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Nailsea School are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they ceased to be a member.

**Trade union facility time**

During the year, one employee was a relevant union official, spending 0% of their time on the trade union facility. The total cost of this facility time was £Nil, which constitutes 0% of the total pay bill. No time was spent on paid trade union facilities.

**Trustees' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

**TRUSTEES**

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

The Academy's Board of Trustees consists of:

- 6 parent Trustees (2 of which must be elected)
- 4 staff Trustees (of which one is the Headteacher ex-officio, and 2 must be elected)
- 10 community Trustees
- up to 3 co-opted Trustees

The maximum number of Trustees is 23. The total number of Trustees who are employees of the Academy, including the Headteacher, shall not exceed one third of the total number of Trustees

The maximum term of office for all Trustee types is four years. At the end of the four year period, non-elected Trusteeships may be renewed by the Board of Trustees; elected Trusteeships will be advertised and elections held. If there are no nominations the term may be renewed by the Board of Trustees.

When appointing new Trustees, the Board will consider the skills and experience mix of existing Trustees to ensure that the Board has the necessary skills to contribute fully to the Academy's development. A skills audit was carried out this year to ensure the Governing Body understood which areas needed strengthening. The Chair of Trustees speaks personally to all prospective Trustees to explain the role, the expectations for a Trustee at Nailsea School and discuss any queries or concerns prior to application.

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

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

The training and induction provided for new Trustees depends upon their existing experience but would always include a tour of the Academy, a chance to meet staff and pupils and the assigning of an individual mentor/buddy to work together with on Lead Governor visits. New Trustees are introduced to the online storage facility containing all Trustee policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction for new Trustees tends to be done informally and is tailored specifically to the individual.

All Trustees have access to on-line training through 'The Key for Governors' and 'Modern Governor' and a record of such training is kept on file. Training also includes face to face training where appropriate and three governors have attended PEX training which has then been shared with all Trustees. The Chair of Trustees has undertaken Chair of Governor training and is enrolled with DfE funded 'Governor Space' (Entrust) whilst the new Clerk will have the second funded place for Clerk's training. Trustees received training from a National Leader of Education, Dave Baker, in July and this training is key to our future work. Our Trustee with responsibility for Safeguarding works in this field and is trained to Masters level in Child Protection. Two governors have been trained in Safer Recruitment and the Chair attended Safeguarding Training with the teaching and support staff of the school. Governors are required to read 'Keeping Children Safe in Education 2019'.

The School Improvement Plan, Lead Governor visits, Ofsted and the Governors' Strategic Framework are reviewed and planned during the first meeting of the academic year whilst reports from staff on pupil progress, school data, pupil premium, special educational needs, behaviour, attendance and rewards are regularly presented to governors for consideration and analysis. Training needs are related to the skills analysis of the Trustees and future training is planned around this.

**Organisational Structure**

The Board of Trustees normally meets once each term (i.e. 6 times per year). The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. The School has retained its Working Group to explore the changing landscapes of Multi-Academy Trust, and to assess whether this would be beneficial for Nailsea School.

There are two main committees as follows;

- Resources Committee - this incorporates the role of the Audit Committee and meets once a term, being responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels. The Resources Committee is also responsible for overseeing all matters relating to the teaching and support staff of the school and receives regular reports on staff training and performance management.
- Education Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues, and regularly receives reports on attendance and behaviour and examines data.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the School Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy in the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

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

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The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT implement the policies and priorities as laid down by the Trustees and report back to them on performance against these. These are stipulated and monitored by governors through the School Improvement Plan.

The Academy has a leadership structure which consists of the Trustees, the SLT and Curriculum Leaders/ Assistant Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels with the overall objective of improving outcomes for students.

The Headteacher, Business Manager and Resources Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation contained within the Financial Systems and Procedures Policy. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, through appointment panels and, where possible and deemed practical, aims to include a Trustee.

The Head Teacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Senior Leadership Team are paid in accordance with both the Leadership Scales (Headteacher, Business Manager and Assistant Headteachers) and through the use of Teaching and Learning Responsibility points (SLT Associates) in the School Teachers Pay and Conditions Document (STPCD 2018). The Business Manager, Assistant Headteachers and SLT Associates are line managed by the Headteacher. Following appraisal annually by the relevant line manager throughout the school, the governors' remuneration committee takes individual decisions on pay advancement for the whole staff body.

**Connected Organisations, including Related Party Relationships**

The Link, a charity and Company Limited by Guarantee has use of the Academy's facilities and there is a shared use agreement between them and the Academy. The Headteacher of Nailsea School is designated the Chair of the Board of Trustees for The Link by its articles, and a member of the Board of Trustees has a seat on the Board as enshrined in the articles.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

At Nailsea School, in accordance with our articles of association, we aim to get the best for, and from, each student, with our ethos being 'Aspire, Believe, Succeed'. We intend to enable each student to realise his or her full academic, creative and physical potential and to develop positive social and moral values. We have formally received confirmation that our in house Hub provision will be formally recognised as a Resource Base from September 2020. This will provide a specialist and differentiated curriculum which is more suited to individual needs of those with an ASD diagnosis. This bid was put in place in partnership with North Somerset Council. We ensure that our Academy is a community in which students, staff and parents are part of a happy and caring environment, which allows everyone to be the best versions of themselves, with no barriers to either learning or achieving.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our School Improvement Plan which is available on the website, or from the Clerk to Trustees. Improvement focuses identified for this year include:

**Leadership and Management: strengthen leadership at all levels and develop consistency**

- a) Develop autonomy for all leaders through leadership training and line management
- b) Create pathways for leadership progression and succession planning
- c) Secure the school's position in relation to MAT status

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

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**Teaching, Learning and Assessment:** Improve the quality of teaching and learning across the school

- a) Review summative and formative assessment so that it measures student progress and inform teaching
- b) Review curriculum provision and develop a broad and balanced offer which meets the needs of students and maximises progress and engagement.
- c) Continue to make astute financial decisions to meet the requirements of recruitment and resources.
- d) Introduce robust support plans for any subject areas of concern

**Personal Development, Behaviour and Welfare:** Reduce fixed term exclusions and improve attendance and punctuality

- a) Early identification and intervention with students at risk of fixed term exclusions
- b) Work with hard to reach families to remove barriers and reduce persistent absenteeism

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The prime aim of the Academy is the advancement of education in Nailsea and the surrounding area, for the public benefit. To this end, the Academy offers a broad curriculum with the aim of providing a wide range of subjects, qualifications and experiences which are suited to the needs and requirements of all its pupils.

Through the 'The Link', the Academy provides facilities for recreational and other leisure time occupation for the community in the interests of social welfare and of improving the life of the community. The facilities used range from sports focused, such as the 4g pitch, and sports hall, the dance studio for exercise classes and other activities such as a range of martial arts, or belly-dancing. Adult learning is a key focus, with language classes being a favourite and ever expanding, and our larger spaces host annual events and shows, whether musical, theatrical or community focused events, such as an evening of Flamenco dancing organised by the Rotary club. Support is also given for youth counselling and wellbeing within our community, through Wellspring. Our facilities are flexible, and activities are wide ranging, enabling a whole age range of community users to enjoy the site, from pre-school upwards, offering something for everyone.

A key focus for the school continues to be with our Primary partners and ensuring that transition to Nailsea School is as smooth and stress-free for pupils as possible. We run a number of events from years 4 upwards to assist in familiarisation and run a summer school annually for those who may find transition particularly difficult in the lead up to the new academic year.

**STRATEGIC REPORT**

**Achievements and Performance**

The school maintained the very successful A Level results, of the previous year. 25% of all grades were A\*/A (2018: 32%, 2017: 23%) and 83% of grades were A\* - C (2018: 82%, 2017: 74%). This compares to the figures of 25% and 76% nationally in 2019. Value added figures suggested students were, on average, in line with target grades across the school. All students have the option of staying on post 16 given the range of Level 3 courses and the successful Level 2 Foundation year. In September 2019 we significantly increased the number of external applicants to the 6th form based on the extension of our curriculum offer.

At GCSE in 2019 70% of KS4 students achieved a 4+ grade in English and Maths at GCSE, compared to 67% of students nationally. In English Language 70% of students achieved a 4+, in English Literature 84% of students achieved 4+ and in Maths 76% of students achieved 4+.

The 'Hub' at Nailsea School (now with students accessing the provision in years 7-9) has continued to be upheld as an example of exemplary practice by North Somerset. In June the RSC formally agreed to this provision being recognised as a Resource Base and this will open to students in years 7-9 in September 2020.



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

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**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance sheet date (excluding fixed asset and pension reserves). In the period under review, the amount of revenue reserves carried forward was £42,862 (2018: £161,843) representing 1% (2018: 4%) of General Annual Grant.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going Concern policy.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure (excluding restricted fixed asset funds and LGPS adjustments) of £4,908,837 (2018: £4,847,740) was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,845,981 (2018: £4,707,687). The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £62,856 (2018: £140,053).

At 31 August 2019 the net book value of fixed assets was £21,179,110 (2018: £21,681,810) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The land and buildings were valued based on the depreciated build cost for the school in 2009, in line with the Academies depreciation policy. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff. The deficit is incorporated within the Statement of Financial Activities with details in note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Systems and Procedures Policy which lays out the framework for financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. This policy also incorporates the Reserves Policy, Investment Policy and Depreciation Policy. Other policies approved, reviewed and updated included the Debtors Policy, Charging Policy, Integrity Policy and Discretionary Policies for LGPS Pensions.

A Trustee, Claire Body undertakes a programme of internal checks on financial controls. Supporting her in this role, the Board has contracted an Internal Audit service from Gloucestershire County Council to prepare three reports on various business aspects annually to feed into the Trustee and Resources Committee meetings. During the year, the Trustees received three reports from the Trustee which were considered at the Resources Committee, and actions plans are put in place and monitored to cover any areas for improvement.

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

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**Reserves Policy**

The Academy plans to spend the majority of its revenue income each year on the students in its care, sums are set aside from this each year for planned replacement of capital items such as ICT infrastructure etc. Other reserves are held for the investment in buildings, smooth any change in pupil led funding and to provide for any unforeseen liabilities. The level of reserves will be reviewed each year by Trustees.

The Trustees have determined that the ideal level of free reserves to aim for equates to a full term's expenditure. Nailsea School intends to build up reserves to the ideal level, over time.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

**Investment Policy**

Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board. Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The principal risks and uncertainties facing the Academy are as follows:

**Financial** - The Academy has considerable reliance on continued Government funding through the ESFA. In the last year the majority of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. In response we are considering such options as Multi-Academy Trusts, and we continue to actively seek, and have been successful in sourcing other external revenue streams, including grants, sponsorship and crowd funding to support the additional elements of the school which are no longer covered by GAG funding. This year we continue to have the pressure and uncertainty of the Carillion liquidation, as they were responsible for the warranties on the building, and rectifying any building defects.

**Reputational** - The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed. The academic achievements have again increased this year, with Nailsea School being one of the most successful secondary schools in the county. Our course offer continues to be strengthened each year to offer a broad range of qualifications and subjects, and we continue to be a fully inclusive school, to meet a wide range of students educational needs.

**Safeguarding and child protection** - The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - The success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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

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Fraud and mismanagement of funds - The Academy has appointed a Trustee with responsibility for overseeing all aspects of internal control, and to carry out checks on financial systems and records as required by the Academy Financial Handbook.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. An agreed Business Continuity Plan and Risk Register are in place, and have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed, and tested annually.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide an outstanding education and to improve the levels of attainment of its pupils at all levels. The Academy will continue to aim to attract high quality staff and trustees to deliver its objectives.

The Academy will continue to work with existing partner schools and will seek to develop new links and partnerships with local schools to improve the educational opportunities for students in the wider community. Full details of our future plans are given in our School Improvement Plan.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity, other than representation on the Board of Directors of The Nailsea Link, as above, namely Dionne Elliott (Chair) and Claire Body for this accounting period.

Funds are also held on behalf of parents or students, as payment for trips and activities, or catering. Such finances are included within these Academy's figures.

**DISCLOSURE OF INFORMATION TO AUDITORS**

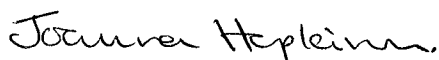
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

**AUDITORS**

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on their behalf by:



J Hopkinson  
Chair of Trustees

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Nailsea School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Argles	2	6
C Body	6	6
D Buss	5	6
J Cayzer, Chair	6	6
E Davidson	6	6
J Edwards	6	6
D Elliott, Head Teacher	6	6
M Gibbard	0	0
J Hopkinson, Chair	6	6
N Ingram	3	6
J Morris	6	6
S Read	1	2
S Renny	6	6
K Royce	6	6
S Ruddy	5	6
N Stradling	6	6
A Watts	6	6
M West	3	3

There have been a number of changes to the Governing Body over the last year as detailed on page 1. The Board of Trustees operates through two main decision making subcommittees: Education and Resources. All trustees are members of one committee except for the Chair of Trustees, the Headteacher and the Trustee for Governance (Mr West) who are members of both, however all trustees may attend any committee and vote on any business.

The Ofsted Ready Working Group overseeing what needs to be done in readiness for the anticipated Ofsted Inspection visit (during this or the next academic year) continued to meet. They reported back to the rest of the governors on progress to meet our goals using the Ofsted Inspection Self Evaluation Framework set out by the Key for Governors and also included a review of our website.

The Multi Academy Trust Working Group, consisting of a small team of governors with Mrs Elliott and Mrs Hurlow continued with their work to examine our options with regard to the benefits of joining with a local or distant MAT. The Trust is currently in a process of Due Diligence with one local Multi-Academy Trust.

**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

The Education Committee is a subcommittee of the main Board of Trustees. Its purpose is to oversee the school curriculum, key stage target setting, parent, staff and student voice and community involvement of the Academy.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D Elliott	6	6
A Watts	6	6
S Rutty	5	6
J Cayzer	3	6
J Hopkinson	5	6
S Renny	5	6
N Ingram	1	6
M West	3	3
M Argles	4	6
J Edwards	5	6

The Resources Committee is a subcommittee of the main Board of Trustees. Its purpose is to oversee the correct financial running of the school, together with all aspects of premises and staff management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D Elliott	5	6
J Cayzer	4	6
E Davidson	5	6
C Body	4	6
D Buss	5	6
K Royce	6	6
N Stradling	5	6
M West	3	3
J Morris	6	6
M Gibbard	0	0
S Read	1	2

## **GOVERNANCE STATEMENT (CONTINUED)**

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### **REVIEW OF VALUE FOR MONEY**

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

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

- Reviewing the staffing, both teaching and support staff, to maintain a high level resource efficiencies. Course offers and teaching timetables are based on the most affordable options for the school, whilst still ensuring a broad and balanced curriculum is offered from Key Stage 3 through to Key Stage 5. Staffing within the non-teaching area has been scrutinised, following benchmarking against similar schools nationally, and efficiencies have been made in year to bring this more in line.
- A number of larger long-term contracts have been retendered in-year, including photocopying, which has reduced costs over the life of the contract. During the year the cleaning service has also been taken in house to both reduce costs, and improve the oversight and quality within the school.
- In 2018/19, the school worked with a School Resource Management Advisor to review the resource efficiencies within the school, with a positive outcome on future cost reduction.

### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Nailsea School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (CONTINUED)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have continued with Claire Body, a Trustee and qualified Accountant, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

To assist the RO in this Task, the Academy has decided to appoint Gloucestershire County Council's audit department to act as an internal auditor, and reporting to the Responsible Officer & Resources Committee three times a year, performing system's checks in support of the RO's work. The RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The RO function has been fully delivered in line with the ESFA's requirements. No material control issues arising as a result of the RO's work have been identified.

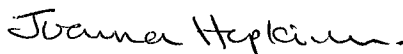
**REVIEW OF EFFECTIVENESS**

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the Business Manager within the Academy who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on their behalf by:



J Hopkinson  
Chair of Trustees



D Elliott  
Accounting Officer

**NAILSEA SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Nailsea School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



D Elliott  
Accounting Officer

Date: 12 December 2019



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

---

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

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

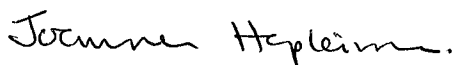
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on its behalf by:



J Hopkinson  
Chair of Trustees

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

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**OPINION**

We have audited the financial statements of Nailsea School (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, the Governance statement, the Statement of Regularity, Propriety and Compliance and the Statement of Trustee's Responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

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

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**RESPONSIBILITIES OF TRUSTEES**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

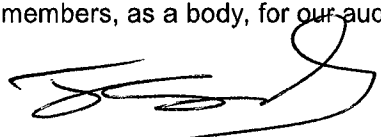
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior statutory auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants

Statutory Auditors  
16 Queen Square

Bristol  
BS1 4NT

Date: 17/12/19

**NAILSEA SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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In accordance with the terms of our engagement letter dated 3 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nailsea School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Nailsea School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Nailsea School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nailsea School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF NAILSEA SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Nailsea School's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

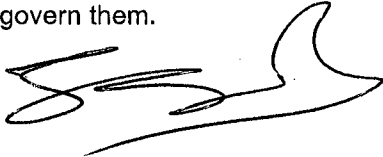
**NAILSEA SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**CONCLUSION**

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



**Joseph Scaife FCA DChA**

**Bishop Fleming LLP**  
16 Queen Square  
Bristol  
BS1 4NT

Date: 17/12/19

**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
<b>INCOME FROM:</b>						
Donations and capital grants	3	38,621	123,156	-	161,777	112,544
Charitable activities	4	311,006	4,367,083	-	4,678,089	4,616,656
Other trading activities	5	5,839	-	-	5,839	2,912
Investments	6	276	-	-	276	314
<b>TOTAL INCOME</b>		<b>355,742</b>	<b>4,490,239</b>	<b>-</b>	<b>4,845,981</b>	<b>4,732,426</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	7	511,716	4,662,121	558,825	5,732,662	5,602,709
<b>TOTAL EXPENDITURE</b>		<b>511,716</b>	<b>4,662,121</b>	<b>558,825</b>	<b>5,732,662</b>	<b>5,602,709</b>
<b>NET EXPENDITURE</b>		<b>(155,974)</b>	<b>(171,882)</b>	<b>(558,825)</b>	<b>(886,681)</b>	<b>(870,283)</b>
Transfers between funds	18	-	(56,125)	56,125	-	-
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on pension schemes	23	-	(996,000)	-	(996,000)	453,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(155,974)</b>	<b>(1,224,007)</b>	<b>(502,700)</b>	<b>(1,882,681)</b>	<b>(417,283)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward as previously stated		181,244	(1,887,197)	21,681,810	19,975,857	20,331,936
Prior year adjustment	17	(61,204)	-	-	(61,204)	-
Total funds brought forward as restated		120,040	(1,887,197)	21,681,810	19,914,653	20,331,936
Net movement in funds		(155,974)	(1,224,007)	(502,700)	(1,882,681)	(417,283)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(35,934)</b>	<b>(3,111,204)</b>	<b>21,179,110</b>	<b>18,031,972</b>	<b>19,914,653</b>

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

The notes on pages 24 to 47 form part of these financial statements.

**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:08084047**

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

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	13	21,179,110	21,681,810
		<u>21,179,110</u>	<u>21,681,810</u>
<b>CURRENT ASSETS</b>			
Debtors	14	140,001	161,184
Cash at bank and in hand		211,664	278,860
		<u>351,665</u>	<u>440,044</u>
CREDITORS: amounts falling due within one year	15	(308,803)	(278,201)
		<u>42,862</u>	<u>161,843</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>21,221,972</u>	<u>21,843,653</u>
Defined benefit pension scheme liability	23	(3,190,000)	(1,929,000)
<b>TOTAL NET ASSETS</b>		<u><u>18,031,972</u></u>	<u><u>19,914,653</u></u>
<b>FUNDS OF THE ACADEMY</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	21,179,110	21,681,810
Restricted income funds	18	78,796	41,803
		<u>21,257,906</u>	<u>21,723,613</u>
Restricted funds excluding pension asset	18		
Pension reserve	18	(3,190,000)	(1,929,000)
		<u>18,067,906</u>	<u>19,794,613</u>
<b>Total restricted funds</b>	18		
<b>Unrestricted income funds</b>	18	(35,934)	120,040
		<u>18,031,972</u>	<u>19,914,653</u>
<b>TOTAL FUNDS</b>		<u><u>18,031,972</u></u>	<u><u>19,914,653</u></u>

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

*J Hopkinson*

**J Hopkinson**  
Chair of Trustees

The notes on pages 24 to 47 form part of these financial statements.



**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	20	(79,039)	(195,552)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	21	11,843	(8,554)
		<hr/>	<hr/>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		(67,196)	(204,106)
Cash and cash equivalents at the beginning of the year		278,860	482,966
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	22	<hr/> <b>211,664</b> <hr/>	<hr/> <b>278,860</b> <hr/>

The notes on pages 24 to 47 form part of these financial statements

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

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nailsea School meets the definition of a public benefit entity under FRS 102.

**1.2 GOING CONCERN**

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

The financial statements to 31 August 2019 show a deficit of £35,934 on the General Fund which has arisen due to timing issues, as a consequence of the lagged funding due to a significant period of growth in pupil numbers. Based on post year end results, the Trustees are confident that this brought forward deficit will be cleared in the first four months of the current year.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

**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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 INTEREST RECEIVABLE**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TAXATION**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

**1.7 TANGIBLE FIXED ASSETS**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- straight line over 50 years
Long-term leasehold land	- straight line over 125 years
Furniture and equipment	- 15% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 25% straight line

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

**1.8 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.9 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.10 LIABILITIES**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

**1.11 FINANCIAL INSTRUMENTS**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 OPERATING LEASES**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 AGENCY ARRANGEMENTS**

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 28.

**1.15 FUND ACCOUNTING**

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	38,621	55,464	<b>94,085</b>	87,805
Capital Grants	-	67,692	<b>67,692</b>	24,739
	<u>38,621</u>	<u>123,156</u>	<u><b>161,777</b></u>	<u>112,544</u>
<b>TOTAL 2018</b>	<u>33,154</u>	<u>79,390</u>	<u><b>112,544</b></u>	

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

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	4,047,435	<b>4,047,435</b>	4,040,208
Other DfE/EFSA grants	-	171,200	<b>171,200</b>	118,240
	-	4,218,635	<b>4,218,635</b>	4,158,448
<b>OTHER GOVERNMENT GRANTS</b>				
High Needs	-	148,448	<b>148,448</b>	94,818
	-	148,448	<b>148,448</b>	94,818
<b>OTHER</b>				
Internal catering income	196,869	-	<b>196,869</b>	193,899
Sales to students	36,972	-	<b>36,972</b>	59,821
Trips and other income	77,165	-	<b>77,165</b>	109,670
	311,006	4,367,083	<b>4,678,089</b>	4,616,656
<b>TOTAL 2018</b>	<b>363,390</b>	<b>4,253,266</b>	<b>4,616,656</b>	

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
External catering income	5,839	<b>5,839</b>	2,912

The total income from other trading activities of £2,912 in 2018 related to unrestricted funds.



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

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest	276	276	314

The total investment income of £314 in 2018 related to unrestricted funds.

**7. EXPENDITURE**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>EDUCATION:</b>					
Direct costs	3,278,645	444,638	353,007	<b>4,076,290</b>	4,023,806
Support costs	841,984	466,268	348,120	<b>1,656,372</b>	1,578,903
	<u>4,120,629</u>	<u>910,906</u>	<u>701,127</u>	<u><b>5,732,662</b></u>	<u>5,602,709</u>
<b>TOTAL 2018</b>	<u>3,901,230</u>	<u>720,882</u>	<u>980,597</u>	<u>5,602,709</u>	

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

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	4,076,290	1,656,372	5,732,662	5,602,709
TOTAL 2018	4,023,806	1,578,903	5,602,709	

**Analysis of direct costs**

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	15,000	19,000
Staff costs	3,278,645	3,138,764
Depreciation	444,638	479,296
Educational supplies	194,621	245,844
Examination fees	98,940	74,456
Staff development	8,838	8,346
Trips	19,094	15,440
Supply teachers	11,376	32,221
Recruitment and support	5,138	10,439
	4,076,290	4,023,806

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

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance costs	41,000	36,000
Staff costs	841,984	762,466
Depreciation	114,187	114,672
Staff development	2,505	5,175
Other costs	4,232	2,094
Recruitment and support	18,860	50,728
Maintenance of premises and equipment	116,967	119,971
Cleaning	105,300	115,181
Rent and rates	26,510	29,575
Energy costs	103,304	104,474
Insurance	27,097	27,200
Security and transport	3,600	2,980
Catering	98,503	84,432
Technology costs	49,387	45,731
Office overheads	82,687	62,553
Legal and professional	3,618	2,620
Bank interest and charges	456	516
Governance	16,175	12,535
	<b>1,656,372</b>	<b>1,578,903</b>

**9. NET EXPENDITURE**

Net expenditure for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Operating lease rentals	4,629	6,802
Depreciation of tangible fixed assets	558,825	593,968
Fees paid to auditors for:		
- audit	10,735	10,450
- other services	1,825	1,775

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

**10. STAFF COSTS**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,016,860	2,949,628
Social security costs	285,152	337,690
Pension costs	799,415	610,912
	<u>4,101,427</u>	<u>3,898,230</u>
Staff restructuring costs	19,202	3,000
	<u><u>4,120,629</u></u>	<u><u>3,901,230</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	19,202	-
Severance payments	-	3,000
	<u>19,202</u>	<u>3,000</u>

**b. STAFF NUMBERS**

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

	2019 No.	2018 No.
Teachers	54	60
Administration and educational support	60	55
Management	7	6
	<u>121</u>	<u>121</u>

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

**10. STAFF COSTS (CONTINUED)**

**b. STAFF NUMBERS (CONTINUED)**

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	49	58
Administration and educational support	54	43
Management	7	6
	<u>110</u>	<u>107</u>

**c. HIGHER PAID STAFF**

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

**d. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £476,861 (2018: £402,866).

As staff trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

**11. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration for the year was as follows; D Elliott Remuneration £75,000 - £80,000 (2018: £70,000 - £75,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000); S Ruddy Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000), Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000); A Watts Remuneration £20,000 - £25,000 (2018: £20,000 - £25,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000); J Morris Remuneration £15,000 - £20,000 (2018: £15,000 - £20,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000).

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

During the year, no Trustees received any benefits in kind (2018: £Nil).

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

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2018	24,237,215	705,449	468,158	4,500	25,415,322
Additions	-	7,111	10,444	38,570	56,125
At 31 August 2019	24,237,215	712,560	478,602	43,070	25,471,447
<b>DEPRECIATION</b>					
At 1 September 2018	2,752,198	600,004	378,578	2,732	3,733,512
Charge for the year	452,416	68,692	34,761	2,956	558,825
At 31 August 2019	3,204,614	668,696	413,339	5,688	4,292,337
<b>NET BOOK VALUE</b>					
At 31 August 2019	21,032,601	43,864	65,263	37,382	21,179,110
At 31 August 2018	21,485,017	105,445	89,580	1,768	21,681,810

**14. DEBTORS**

	2019 £	2018 £
<b>DUE WITHIN ONE YEAR</b>		
VAT recoverable	16,138	19,831
Prepayments and accrued income	123,863	141,353
	140,001	161,184

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

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Taxation and social security	128,373	139,884
Other creditors	29,451	27,564
Accruals and deferred income	150,979	110,753
	<u>308,803</u>	<u>278,201</u>

**16. FINANCIAL INSTRUMENTS**

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost	<u>275,938</u>	<u>332,317</u>
	2019 £	2018 £
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(69,231)</u>	<u>(58,644)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and prepayments.

Financial liabilities measured at amortised cost comprise accruals.

**17. PRIOR YEAR ADJUSTMENTS**

During the preparation of these financial statements it was discovered that an incorrect credit posting of £61,204 was made to expenditure in the year ended 31 August 2018. This resulted in closing reserves as at 31 August 2018 being overstated by £61,204. A prior year adjustment has been included in these financial statements to adjust opening reserves and the comparative figures have been amended accordingly.

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

**18. STATEMENT OF FUNDS**

	As restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	120,040	355,742	(511,716)	-	-	(35,934)
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant	-	4,047,435	(4,038,531)	(8,904)	-	-
High Needs Funding	-	148,448	(148,448)	-	-	-
Donations	-	55,464	(50,127)	-	-	5,337
Pupil Premium	30,399	113,808	(86,886)	-	-	57,321
Year 7 catch up funding	8,790	8,948	(1,600)	-	-	16,138
Devolved Formula Capital	-	67,692	(20,471)	(47,221)	-	-
Other restricted income	2,614	48,444	(51,058)	-	-	-
Pension reserve	(1,929,000)	-	(265,000)	-	(996,000)	(3,190,000)
	<u>(1,887,197)</u>	<u>4,490,239</u>	<u>(4,662,121)</u>	<u>(56,125)</u>	<u>(996,000)</u>	<u>(3,111,200)</u>



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

**18. STATEMENT OF FUNDS (CONTINUED)**

	As restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	21,502,975	-	(536,930)	-	-	20,966,045
Fixed assets purchased from GAG and other restricted funds	92,619	-	(11,523)	8,904	-	90,000
DfE/ESFA Capital grants	86,216	-	(10,372)	47,221	-	123,065
	<u>21,681,810</u>	<u>-</u>	<u>(558,825)</u>	<u>56,125</u>	<u>-</u>	<u>21,179,110</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>19,794,613</u>	<u>4,490,239</u>	<u>(5,220,946)</u>	<u>-</u>	<u>(996,000)</u>	<u>18,067,906</u>
<b>TOTAL FUNDS</b>	<u>19,914,653</u>	<u>4,845,981</u>	<u>(5,732,662)</u>	<u>-</u>	<u>(996,000)</u>	<u>18,031,972</u>

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

**RESTRICTED FUNDS**

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - represents amounts received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs - funding received from the Local Authority to fund further support for students with additional needs.

Donations - represents amounts given by third parties for a specific purpose.

Other restricted income represents staff funding received from the Local Authority.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated by North Somerset Council on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds represent fixed asset additions funded by GAG in the period.

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

**18. STATEMENT OF FUNDS (CONTINUED)**

DfE/ESFA Capital grants includes devolved capital funding spent on fixed asset items.

**OTHER INFORMATION**

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	211,241	399,770	(490,971)	-	-	120,040
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant	62,598	4,040,208	(4,093,938)	(8,868)	-	-
High Needs Funding	-	94,818	(94,818)	-	-	-
Donations	16,681	14,182	(30,863)	-	-	-
Pupil Premium	20,245	118,240	(99,296)	-	-	39,189
Other restricted income	-	40,469	(37,855)	-	-	2,614
Pension reserve	(2,221,000)	-	(161,000)	-	453,000	(1,929,000)
	<u>(2,121,476)</u>	<u>4,307,917</u>	<u>(4,517,770)</u>	<u>(8,868)</u>	<u>453,000</u>	<u>(1,887,197)</u>

**NAILSEA SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**18. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2018 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	22,073,671	-	(570,696)	-	-	21,502,975
Fixed assets purchased from GAG and other restricted funds	90,999	5,000	(12,248)	8,868	-	92,619
DfE/ESFA Capital grants	77,501	19,739	(11,024)	-	-	86,216
	<u>22,242,171</u>	<u>24,739</u>	<u>(593,968)</u>	<u>8,868</u>	<u>-</u>	<u>21,681,810</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>20,120,695</u>	<u>4,332,656</u>	<u>(5,111,738)</u>	<u>-</u>	<u>453,000</u>	<u>19,794,613</u>
<b>TOTAL FUNDS</b>	<u>20,331,936</u>	<u>4,732,426</u>	<u>(5,602,709)</u>	<u>-</u>	<u>453,000</u>	<u>19,914,653</u>

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

**CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	21,179,110	21,179,110
Current assets	-	351,665	-	351,665
Creditors due within one year	(35,934)	(272,869)	-	(308,803)
Pension scheme liability	-	(3,190,000)	-	(3,190,000)
<b>TOTAL</b>	<u>(35,934)</u>	<u>(3,111,204)</u>	<u>21,179,110</u>	<u>18,031,972</u>

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

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**PRIOR YEAR**

	As restated Unrestricted funds 2018 £	As restated Restricted funds 2018 £	Restricted fixed asset funds 2018 £	As restated Total funds 2018 £
Tangible fixed assets	-	-	21,681,810	21,681,810
Current assets	120,040	320,004	-	440,044
Creditors due within one year	-	(278,201)	-	(278,201)
Pension scheme liability	-	(1,929,000)	-	(1,929,000)
<b>TOTAL As restated</b>	<b>120,040</b>	<b>(1,887,197)</b>	<b>21,681,810</b>	<b>19,914,653</b>

**20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(886,681)</b>	(870,283)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>558,825</b>	593,968
Capital grants from DfE and other capital income	<b>(67,692)</b>	(24,739)
Interest receivable	<b>(276)</b>	(314)
Defined benefit pension scheme cost less contributions payable	<b>209,000</b>	106,000
Defined benefit pension scheme finance cost	<b>56,000</b>	55,000
Decrease/(increase) in debtors	<b>21,183</b>	(49,440)
Increase/(decrease) in creditors	<b>30,602</b>	(5,744)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(79,039)</b>	(195,552)

**21. CASH FLOWS FROM INVESTING ACTIVITIES**

	2019 £	2018 £
Bank interest	<b>276</b>	314
Purchase of tangible fixed assets	<b>(56,125)</b>	(33,607)
Capital grants from DfE/ESFA	<b>67,692</b>	24,739
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>11,843</b>	(8,554)

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

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	211,664	278,860
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>211,664</b>	<b>278,860</b>

**23. PENSION COMMITMENTS**

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

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

Contributions amounting to £70,784 were payable to the schemes at 31 August 2019 (2018 - £65,016) and are included within creditors.

**TEACHERS' PENSION SCHEME**

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

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

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. PENSION COMMITMENTS (CONTINUED)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £350,217 (2018 - £344,755).

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

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

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £296,000 (2018 - £270,000), of which employer's contributions totalled £240,000 (2018 - £216,000) and employees' contributions totalled £ 56,000 (2018 - £54,000). The agreed contribution rates for future years are 18.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.6%</b>	3.6%
Rate of increase for pensions in payment/inflation	<b>2.2%</b>	2.2%
Discount rate for scheme liabilities	<b>1.8%</b>	2.8%
Inflation assumption (CPI)	<b>2.1%</b>	2.1%

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>23.7</b>	23.6
Females	<b>26.2</b>	26.1
<i>Retiring in 20 years</i>		
Males	<b>26.3</b>	26.2
Females	<b>29.0</b>	28.8

**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. PENSION COMMITMENTS (CONTINUED)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,364,000	976,000
Bonds	318,000	595,000
Property	160,000	231,000
Cash	35,000	95,000
Other	1,037,000	592,000
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>2,914,000</b>	<b>2,489,000</b>

The actual return on scheme assets was £180,000 (2018 - £107,000).

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

	2019 £	2018 £
Current service cost	(309,000)	(322,000)
Past service cost	(140,000)	-
Interest income	68,000	50,000
Interest cost	(124,000)	(105,000)
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(505,000)</b>	<b>(377,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>4,418,000</b>	<b>4,361,000</b>
Interest cost	124,000	105,000
Member contributions	56,000	54,000
Actuarial (gains)/losses	1,103,000	(400,000)
Benefits paid	(46,000)	(24,000)
Current service cost	309,000	322,000
Past service cost	140,000	-
<b>At 31 August</b>	<b>6,104,000</b>	<b>4,418,000</b>

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

**23. PENSION COMMITMENTS (CONTINUED)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,489,000</b>	2,140,000
Interest income	73,000	54,000
Expected return on assets	107,000	53,000
Employer contributions	240,000	216,000
Member contributions	56,000	54,000
Benefits paid	(46,000)	(24,000)
Administration expense	(5,000)	(4,000)
<b>At 31 August</b>	<b>2,914,000</b>	2,489,000

**24. OPERATING LEASE COMMITMENTS**

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

	Academy 2019 £	Academy 2018 £
Not later than 1 year	4,126	6,888
Later than 1 year and not later than 5 years	14,960	386
	<b>19,086</b>	7,274

**25. 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.

**26. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees remuneration and expenses already disclosed in note 11.

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



**NAILSEA SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
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**27. GENERAL INFORMATION**

Nailsea School is a company limited by guarantee, incorporated in England and Wales. The registered office is Mizzymeade Road, Nailsea, Bristol, BS48 2HN and the registered number is 08084047.

**28. AGENCY ARRANGEMENTS**

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2019 the Trust received £8,582 and disbursed £6,695 from the fund balance brought forward. An amount of £29,451 (2018: £27,564) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

