

NAILSEA SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 47

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C L Body K Royce N Ingram N Stradling J Hopkinson D Buss S Renny M Argles J Edwards A Bush (appointed 18 November 2019) M Faithfull (appointed 18 November 2019) R Driscoll (appointed 16 March 2020)
Trustees	M Argles ^{1,2} C Body ^{1,2} D Buss ^{1,2} J Edwards ^{1,2} D Elliott, Head Teacher ^{1,2} J Hopkinson, Chair ^{1,2} N Ingram ^{1,2} S Renny ^{1,2} K Royce ^{1,2} N Stradling ^{1,2} A Bush (appointed 18 November 2019) ^{1,2} M Faithfull (appointed 18 November 2019) ^{1,2} R Driscoll (appointed 16 March 2020) ^{1,2} ¹ Education Committee ² Resources Committee
Company registered number	08084047
Company name	Nailsea School
Principal and registered office	Mizzymead Road Nailsea Bristol BS48 2HN
Accounting officer	D Elliott
Senior leadership team	D Elliott, Headteacher S Hurlow, Business Manager L Creswick, Assistant Headteacher C Mawford, Assistant Headteacher D Graffagnino, SLT Associate S Ruddy, SLT Associate K Dee, SLT Associate

NAILSEA SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors Bishop Fleming LLP
Chartered Accountants
10 Temple Back
Bristol
BS1 6FL

Bankers Lloyds Bank Plc
16 The Triangle
Clevedon
North Somerset
BS21 6NB

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. 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 1,036 on the 1 October 2020 school census.

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, and to the date the accounts are approved are included in the Reference and Administration Details on page 1

Members' liability

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

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) – in accordance with the Academies Financial Handbook, these positions have not been filled
- 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 Trust, 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 Board of Trustees 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 2020

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, under normal circumstances, would always include a 1:1 meeting with the Chair of Trustees, 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 Trustee visits. New Trustees are introduced to the online platform for all the documentation required to undertake their role. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. This year we recruited one new Trustee just as we were going into the national lockdown for Covid-19. In this exceptional circumstance, we had regular telephone contact with this Trustee, who is fortunate to have been a previous Trustee and Parent, so knows the school well.

We have a knowledgeable and well balanced range of skills and expertise within the Trustee body, including having a child protection specialist, a qualified Accountant, a number of teachers, members of both the police and fire service as well as those working within industry.

Training needs are identified through a skills analysis of the Trustees, and future training is planned around this. All Trustees have access to on-line training through 'The Key for Governors' and other governor forums, such as the National Governor Association, and the learning and information is shared between the Board of Trustees. Training also includes face to face training where appropriate and a record of all training is retained. All Trustees are required to have read 'Keeping Children Safe in Education 2020', and are invited to attend relevant staff training sessions, where they are appropriate to better understanding their role as Trustees.

Organisational Structure

The Board of Trustees normally meet twice per term, with either Resources or Education content as the main focus of the agenda followed by the Board of Trustees' business. 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. The Board also establishes Working Groups to perform specific tasks over a limited timescale. This year there has continued to be a working party to explore the development of the school joining a Multi Academy Trust. Following the work of this group, in February, the Board agreed to undertake a process of due diligence and to consult with stakeholders on the possibility of joining with Wessex Learning Trust. This process, and work is currently underway between Nailsea School and Wessex Learning Trust, with stakeholder consultation completing at the end of November, and a proposed transfer date of 1 January 2021.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 on performance against these. These are stipulated and monitored by Trustees 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 Headteacher 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 2019). 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 Trustees' Remuneration Committee takes individual decisions on pay advancement for the whole staff body.

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.

Related parties and other connected Charities and Organisations

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

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. Given that the 2019/20 academic year was brought to a premature halt in March 2020 with the national closure of schools a number of the priorities remain. Improvement focuses identified for this year include:

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

1. Develop autonomy for all leaders through leadership training and line management
2. Create pathways for leadership progression and succession planning
3. Secure the school's position in relation to MAT status

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

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

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

1. Early identification and intervention with students at risk of fixed term exclusions
2. 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.

The Link provides the facilities to enable recreational clubs and organisations, which aim to enrich the lives of our community. The facilities used range from sports focused, such as the 4g pitch for rugby and football, the sports hall for trampolines and five-a-side football and the dance studio which caters for those enjoying exercise classes and other activities such as karate or dance club. We also support a wide range of other organisations and institutions within the community, and before the Covid-19 restrictions came into force, The Link hosted a dementia event for the local medical practice, and also held a public forum for Avon and Somerset Police. Activities have required to be curtailed during the pandemic, as we closed from mid-March, but were able to re-opened in late July to support our regular hirers and the local community users try to get back to 'business as usual'.

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 usually 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. Whilst this was unfortunately not possible this year, due to the restrictions of Covid-19, we have continued to communicate and ease any anxieties of our new starters, visiting primary schools where possible to meet the Year 6's in their classrooms, and sharing videos of how the school looks, to prepare them for their September start.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

Achievements and Performance

The method by which exam results were awarded were different this year, with direct comparisons more problematic.

At A Level 28% of all grades were awarded as A*/A (2019: 25%, 2018: 32%, 2017: 23%) and 84% of grades were A* - C (2019: 82%, 2018: 82%, 2017: 74%). All students have the option of staying on post 16 given the range of Level 3 courses and the successful Level 2 Access to Level 3 course, now in its third year. There had been a significant increase in applications from external applicants ahead of the national lockdown - reflecting the level of interest in the breadth of our KS5 offer. The school started back in September 2020 with the largest 6th form cohort for a number of years.

At GCSE in 2020, 77% of KS4 students achieved a 4+ grade in English and Maths (2019:70%, 2018:75%, 2017: 74%) The number of students achieving a 5+ grade in English and Maths increase to 50% (2019: 36%, 2018: 46%, 2017: 52%).

Following approval from the RSC the school has opened the Resource Base to students in years 7-11 in September 2020. This has increased the provision available to all young people across North Somerset and demonstrates the collegiate approach the school has taken with the local authority.

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 GAG carry forward was £353,952 (2019: £Nil) representing 7.9% (2019: 0%).

Going Concern

As described in note 1.2, on 1 January 2021 the Academy Trust intends to transfer all assets and liabilities to Wessex Learning Trust. From that date, the Trust will cease all activities. Accordingly, these accounts are prepared on a basis other than as a going concern.

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 2020 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 2020, total expenditure (excluding restricted fixed asset funds and LGPS adjustments) of £5,105,262 (2019: £4,908,837) was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,460,567 (2019: £4,845,981). The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £355,305 (2019: expenditure over income of £62,856).

At 31 August 2020 the net book value of fixed assets was £20,775,570 (2019: £21,179,110) 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

A Trustee, Claire Body, a qualified accountant, undertakes a programme of internal checks on financial controls. Supporting her in this role, the Board has contracted an Internal Audit service from Integra, part of Gloucestershire County Council, to prepare reports based on various business aspects, as agreed by the Board, which feed into the Resources Committee. During the year, the Trustees received such reports through the Resources Committee, and actions plans were put in place and monitored to cover any areas for improvement.

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 total amount of funds held as 31 August 2020 was £17,983,803, with the balance on the restricted general funds (excluding the pension reserve) being £373,923, and the balance on the unrestricted funds being £6,659.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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. 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, at both GCSE and A Level, 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.

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 continues to review its arrangements for managing risk and uncertainties, and has an agreed Business Continuity Plan and Risk Register in place. All the areas above, including the financial risks, are discussed by Trustees. The risk register is regularly reviewed in light of any new information and formally reviewed, and tested annually.

FUNDRAISING

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. These are gained from both local supporters and larger funding organisations.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 is currently consulting with stakeholders on plans to join the Wessex Learning Trust, which will help to strengthen its position moving forward, and will allow school leaders to share best practice, and the wider school to enjoy more benefits of being part of a larger, supporting organisation.

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, available from the Clerk to Trustees.

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.

TRUSTEES INDEMNITIES

There are no third party indemnity provisions during the year or at the date of approval of the Trustee's report.

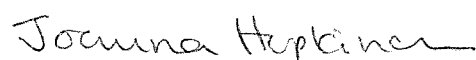
AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 30 November 2020 and signed on the board's behalf by:



J Hopkinson
Chair of Trustees

GOVERNANCE STATEMENT

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 to 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 Trustees' Responsibilities Statement. The Board of Trustees has formally met 9 times during the year, including a planning meeting. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Hopkinson, Chair	8	9
D Elliott, Head Teacher	8	9
M Argles	8	9
C Body	9	9
D Buss	8	9
A Bush	9	9
M Faithfull	4	9
J Edwards	9	9
R Driscoll	4	4
N Ingram	7	9
S Renny	7	9
K Royce	9	9
N Stradling	4	9

There have been a number of changes to the Governing Body over the last year as detailed on page 1. All Trustees are members of both the Resources and Education Committees, which combine with the Main Governing Body meeting.

Governance reviews

The Strategic Working Group is a new groups established this year to focus on the standards of teaching and learning in the school.

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, the Wessex Learning Trust.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Governor Committees

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 at designated meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Hopkinson	3	4
Mrs D Elliott	4	4
Mrs M Argles	4	4
Mrs C Body	4	4
Mrs D Buss	4	4
Mrs A Bush	4	4
Mrs R Driscoll	2	2
Dr J Edwards	4	4
Mr M Faithfull	1	4
Mr N Ingram	4	4
Mrs S Renny	4	4
Mr K Royce	4	4
Mr N Stradling	1	4

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 at designated meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Hopkinson	4	4
Mrs D Elliott	4	4
Mrs M Argyles	4	4
Mrs C Body	4	4
Mrs D Buss	3	4
Mrs A Bush	4	4
Mrs R Driscoll	2	2
Dr J Edwards	4	4
Mr M Faithfull	2	4
Mr N Ingram	2	4
Mrs S Renny	2	4
Mr K Royce	4	4
Mr N Stradling	3	4

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Forward planning and reviewing the staffing structure and courses on offer within the school to maximise efficiencies in the use of its key resource, being its staff, and ensuring that specialist staff are aligned to the courses offered in the period. By reviewing the staffing of both teaching and support staff on the natural changing of roles, we have continued to maintain a high level of resource efficiencies.
- Bidding for grants and sponsorships to support the activities in the school which cannot be funded through the General Annual Grant. This year, 2019, saw the celebration of our 60th year as a school, and we undertook a programme of fundraising activities with the community in recognition of this. This year, we also used a green grant to extend our LED lighting scheme to reduce electricity costs in high use areas, whilst also reducing our carbon footprint.
- Gaining agreement from the Local Authority to establish a formal Resource Base (following on from our recognition of work with SEN students in an informal 'hub' setting), to better use and target high needs funding to SEN students, enabling subject and SEN specialist teachers to be recruited for its opening in September 2020.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 2019 to 31 August 2020, 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 2019 to 31 August 2020, and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

- 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, reporting to the Responsible Officer & Resources Committee, on 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 is also supported by the external auditors in this role.

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. An Internal Scrutiny report has been produced for 2019/20 which concludes that 'the trust internal control arrangements are of a high standard. This means that arrangements operating are of an excellent standard, and only very minor recommendations have been made'. Within the year, scrutiny was given to Financial Planning and Resilience within the academy, and reviewed the processes and recommendations in place with regard to Strategic Planning and Purchasing, Income and Payroll. The full audit programme was unfortunately unable to be delivered as originally planned, due to the restrictions in place for Covid-19.

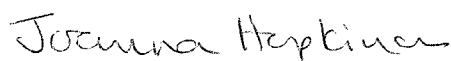
REVIEW OF EFFECTIVENESS

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 and the supporting scrutiny reports;
- the work of the external auditors;
- the work of the Business Manager, 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 and signed on their behalf by:



J Hopkinson
Chair of Trustees



D Elliott
Accounting Officer

Date: 16/12/20

**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 2019.

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 2019.

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: 16/12/2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 and 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:

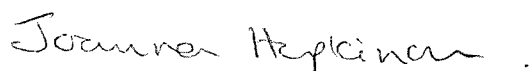
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



J Hopkinson
Chair of Trustees

Date: 16/12/20

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

OPINION

We have audited the financial statements of Nailsea School (the 'Academy') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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.

EMPHASIS OF MATTER

We draw attention to note 1.2 in the financial statements, which explains that the charitable company plans to cease to operate on 1 January 2021 and transfer all of its assets and liabilities to the Wessex Learning Trust on that date. As such, the accounts have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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

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)**

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.

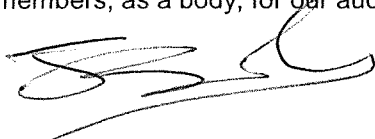
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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. 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

10 Temple Back

Bristol

BS1 6FL

Date: 18/12/20

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

In accordance with the terms of our engagement letter dated 3 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Nailsea School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nailsea School and 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

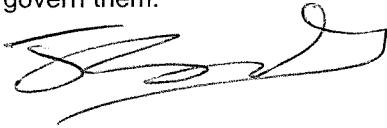
Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees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

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

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 2019 to 31 August 2020 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
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 18/12/20

NAILSEA SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	4	20,843	62,154	160,459	243,456	161,777
Charitable activities	5	287,783	5,088,190	-	5,375,973	4,678,089
Other trading activities	6	1,376	-	-	1,376	5,839
Investments	7	221	-	-	221	276
TOTAL INCOME		310,223	5,150,344	160,459	5,621,026	4,845,981
EXPENDITURE ON:						
Charitable activities	9	267,630	5,061,632	508,933	5,838,195	5,732,662
TOTAL EXPENDITURE		267,630	5,061,632	508,933	5,838,195	5,732,662
NET INCOME/(EXPENDITURE)		42,593	88,712	(348,474)	(217,169)	(886,681)
Transfers between funds	17	-	(17,585)	17,585	-	-
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on pension schemes	25	-	169,000	-	169,000	(996,000)
NET MOVEMENT IN FUNDS		42,593	240,127	(330,889)	(48,169)	(1,882,681)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(35,934)	(3,111,204)	21,179,110	18,031,972	19,914,653
Net movement in funds		42,593	240,127	(330,889)	(48,169)	(1,882,681)
TOTAL FUNDS CARRIED FORWARD		6,659	(2,871,077)	20,848,221	17,983,803	18,031,972

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

The notes on pages 25 to 47 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	20,775,570	21,179,110
		<u>20,775,570</u>	<u>21,179,110</u>
CURRENT ASSETS			
Debtors	15	379,606	140,001
Cash at bank and in hand		353,887	211,664
		<u>733,493</u>	<u>351,665</u>
CREDITORS: amounts falling due within one year	16	(280,260)	(308,803)
		<u>453,233</u>	<u>42,862</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,228,803</u>	<u>21,221,972</u>
Defined benefit pension scheme liability	25	(3,245,000)	(3,190,000)
TOTAL NET ASSETS		<u><u>17,983,803</u></u>	<u><u>18,031,972</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	17	20,848,221	21,179,110
Restricted income funds	17	373,923	78,796
		<u>21,222,144</u>	<u>21,257,906</u>
Restricted funds excluding pension asset	17		
Pension reserve	17	(3,245,000)	(3,190,000)
		<u>17,977,144</u>	<u>18,067,906</u>
Total restricted funds	17		
Unrestricted income funds	17	6,659	(35,934)
		<u>17,983,803</u>	<u>18,031,972</u>
TOTAL FUNDS		<u><u>17,983,803</u></u>	<u><u>18,031,972</u></u>

The financial statements on pages 22 to 47 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Joanna Hopkinson

J Hopkinson
Chair of Trustees

Date: 16/12/20

The notes on pages 25 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 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	19	86,936	(79,039)
CASH FLOWS FROM INVESTING ACTIVITIES	20	55,287	11,843
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		142,223	(67,196)
Cash and cash equivalents at the beginning of the year		211,664	278,860
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21, 22	353,887	211,664
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 47 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. 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.

2. ACCOUNTING POLICIES

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

2.1 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 2019 to 2020 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.

2.2 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.

It is the intention of the Board of Trustees that the charitable company will cease to operate on 1 January 2021 and transfer all of its assets and liabilities at book value to the Wessex Learning Trust on that date. As such, the accounts have been prepared on a basis other than that of a going concern. No adjustments were required to present the financial statements on this basis

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. ACCOUNTING POLICIES (continued)

2.3 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.

2.4 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.

2.5 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 2020

2. ACCOUNTING POLICIES (continued)

2.6 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.

2.7 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.

2.8 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.

2.9 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 2020

2. ACCOUNTING POLICIES (continued)

2.10 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.

2.11 OPERATING LEASES

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

2.12 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.

2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.14 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.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 2020. 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 judgement:

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	20,843	62,154	-	82,997	94,085
Capital Grants	-	-	160,459	160,459	67,692
	<u>20,843</u>	<u>62,154</u>	<u>160,459</u>	<u>243,456</u>	<u>161,777</u>
TOTAL 2019	<u>38,621</u>	<u>103,372</u>	<u>19,784</u>	<u>161,777</u>	

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA GRANTS				
General Annual Grant	-	4,480,307	4,480,307	4,047,435
Other DfE/EFSA grants	8,360	395,265	403,625	171,200
	<u>8,360</u>	<u>4,875,572</u>	<u>4,883,932</u>	<u>4,218,635</u>
OTHER GOVERNMENT GRANTS				
High Needs	-	180,049	180,049	148,448
Other government grants	-	32,569	32,569	-
	<u>-</u>	<u>212,618</u>	<u>212,618</u>	<u>148,448</u>
OTHER				
Internal catering income	140,420	-	140,420	196,869
Sales to students	64,424	-	64,424	36,972
Trips and other income	74,579	-	74,579	77,165
	<u>287,783</u>	<u>5,088,190</u>	<u>5,375,973</u>	<u>4,678,089</u>
TOTAL 2019	<u>311,006</u>	<u>4,367,083</u>	<u>4,678,089</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
External catering income	1,376	1,376	5,839

The total income from other trading activities of £5,839 in 2019 related to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	221	221	276

The total investment income of £276 in 2019 related to unrestricted funds.

8. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
EDUCATION:					
Direct costs	3,408,600	402,987	469,963	4,281,550	4,076,290
Support costs	907,954	368,918	279,773	1,556,645	1,656,372
	4,316,554	771,905	749,736	5,838,195	5,732,662
TOTAL 2019	4,120,629	910,906	701,127	5,732,662	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	4,281,550	1,556,645	5,838,195	5,732,662
TOTAL 2019	4,076,290	1,656,372	5,732,662	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	20,000	15,000
Staff costs	3,408,600	3,278,645
Depreciation	402,987	444,638
Educational supplies	282,841	194,621
Examination fees	73,016	98,940
Staff development	13,336	8,838
Trips	28,849	19,094
Supply teachers	44,976	11,376
Recruitment and support	6,945	5,138
	4,281,550	4,076,290

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	41,000	41,000
Staff costs	907,954	841,984
Depreciation	105,946	114,187
Staff development	2,488	2,505
Other costs	5,462	4,232
Recruitment and support	8,219	18,860
Maintenance of premises and equipment	115,615	116,967
External cleaning costs	10,781	105,300
Rent and rates	27,678	26,510
Energy costs	104,976	103,304
Insurance	29,473	27,097
Security and transport	3,922	3,600
Catering	81,078	98,503
Technology costs	55,177	49,387
Office overheads	38,576	82,687
Legal and professional	1,987	3,618
Bank interest and charges	498	456
Governance	15,815	16,175
	1,556,645	1,656,372

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	4,897	4,629
Depreciation of tangible fixed assets	508,933	558,825
Fees paid to auditors for:		
- audit	11,250	10,735
- other services	2,140	1,825

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,107,537	3,016,860
Social security costs	283,002	285,152
Pension costs	926,015	799,415
	<u>4,316,554</u>	<u>4,101,427</u>
Agency staff costs	44,976	-
Staff restructuring costs	-	19,202
	<u>4,361,530</u>	<u>4,120,629</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	19,202
	<u>-</u>	<u>19,202</u>

b. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	59	54
Administration and educational support	75	60
Management	7	7
	<u>141</u>	<u>121</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. STAFF (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	50	49
Administration and educational support	54	54
Management	7	7
	111	110
	111	110

c. HIGHER PAID STAFF

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	1	1
	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £508,581 (2019 £476,861).

12. 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 received any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration for the year was as follows: D Elliott Remuneration £80,000 - £85,000 (2019: £75,000 - £80,000), Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2019	24,237,215	712,560	478,602	43,070	25,471,447
Additions	58,063	32,868	14,462	-	105,393
At 31 August 2020	24,295,278	745,428	493,064	43,070	25,576,840
DEPRECIATION					
At 1 September 2019	3,204,614	668,696	413,339	5,688	4,292,337
Charge for the year	452,416	15,285	30,722	10,510	508,933
At 31 August 2020	3,657,030	683,981	444,061	16,198	4,801,270
NET BOOK VALUE					
At 31 August 2020	20,638,248	61,447	49,003	26,872	20,775,570
At 31 August 2019	21,032,601	43,864	65,263	37,382	21,179,110

15. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
VAT recoverable	95,682	16,138
Prepayments and accrued income	283,924	123,863
	379,606	140,001

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Taxation and social security	145,162	128,373
Other creditors	29,318	29,451
Accruals and deferred income	105,780	150,979
	<u>280,260</u>	<u>308,803</u>

NAILSEA SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	(35,934)	310,223	(267,630)	-	-	6,659
RESTRICTED GENERAL FUNDS						
General Annual Grant	-	4,480,307	(4,113,708)	(12,647)	-	353,952
High Needs Funding	-	180,049	(180,049)	-	-	-
Donations	5,337	62,154	(62,553)	(4,938)	-	-
Pupil Premium	57,321	118,588	(171,776)	-	-	4,133
Year 7 catch up funding	16,138	9,843	(10,143)	-	-	15,838
Other DfE/ESFA grants	-	266,834	(266,834)	-	-	-
Other restricted income	-	32,569	(32,569)	-	-	-
Pension reserve	(3,190,000)	-	(224,000)	-	169,000	(3,245,000)
	<u>(3,111,204)</u>	<u>5,150,344</u>	<u>(5,061,632)</u>	<u>(17,585)</u>	<u>169,000</u>	<u>(2,871,077)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	20,966,045	-	(452,416)	-	-	20,513,629
Fixed assets purchased from GAG and other restricted funds	90,000	-	(32,259)	17,585	-	75,326
DfE/ESFA Capital grants	123,065	20,459	(24,258)	-	-	119,266
Local Authority grants	-	140,000	-	-	-	140,000
	<u>21,179,110</u>	<u>160,459</u>	<u>(508,933)</u>	<u>17,585</u>	<u>-</u>	<u>20,848,221</u>
TOTAL RESTRICTED FUNDS	<u>18,067,906</u>	<u>5,310,803</u>	<u>(5,570,565)</u>	<u>-</u>	<u>169,000</u>	<u>17,977,144</u>
TOTAL FUNDS	<u>18,031,972</u>	<u>5,621,026</u>	<u>(5,838,195)</u>	<u>-</u>	<u>169,000</u>	<u>17,983,803</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FUNDS (CONTINUED)

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.

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

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 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	120,040	355,742	(511,716)	-	-	(35,934)
RESTRICTED GENERAL FUNDS						
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
Other DfE/ESFA grants	-	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>(3,111,204)</u>
RESTRICTED FIXED ASSET FUNDS						
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>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
TOTAL RESTRICTED FUNDS	19,794,613	4,490,239	(5,220,946)	-	(996,000)	18,067,906
TOTAL FUNDS	19,914,653	4,845,981	(5,732,662)	-	(996,000)	18,031,972

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CURRENT YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	20,775,570	20,775,570
Current assets	6,659	566,375	160,459	733,493
Creditors due within one year	-	(192,452)	(87,808)	(280,260)
Pension scheme liability	-	(3,245,000)	-	(3,245,000)
TOTAL	6,659	(2,871,077)	20,848,221	17,983,803

PRIOR 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)
TOTAL	(35,934)	(3,111,204)	21,179,110	18,031,972

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(217,169)	(886,681)
ADJUSTMENTS FOR:		
Depreciation	508,933	558,825
Capital grants from DfE and other capital income	(160,459)	(67,692)
Interest receivable	(221)	(276)
Defined benefit pension scheme cost less contributions payable	163,000	209,000
Defined benefit pension scheme finance cost	61,000	56,000
(Increase)/decrease in debtors	(239,605)	21,183
(Decrease)/increase in creditors	(28,543)	30,602
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	86,936	(79,039)

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Bank interest	221	276
Purchase of tangible fixed assets	(105,393)	(56,125)
Capital grants from DfE/ESFA	160,459	67,692
NET CASH PROVIDED BY INVESTING ACTIVITIES	55,287	11,843

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	353,887	211,664
TOTAL CASH AND CASH EQUIVALENTS	353,887	211,664

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	211,664	142,223	353,887
	<u>211,664</u>	<u>142,223</u>	<u>353,887</u>

23. CONTINGENT LIABILITIES

Nailsea School currently has significant repairs to be made to the Sports Hall and All Weather Pitch, as well as the smoke ventilation system. All of these repairs should be covered by the warranty provided by Carillion when the school was built. This was confirmed by Carillion and we were expecting the repairs to be scheduled for completion before the company went into liquidation on 15 January 2018.

Despite significant effort being made to resolve this matter with the Local Education Authority and the liquidators, the situation has not been resolved. Therefore, the potential repairs are still an issue and presently Nailsea School keeps the assets maintained to ensure there are no breaches of Health and Safety.

24. CAPITAL COMMITMENTS

	2020 £	2019 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>52,193</u>	<u>-</u>

25. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £81,509 were payable to the schemes at 31 August 2020 (2019 - £70,784) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION COMMITMENTS (CONTINUED)

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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. 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% administration levy)
- 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £501,527 (2019 - £350,217).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION COMMITMENTS (CONTINUED)

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 2020 was £322,000 (2019 - £296,000), of which employer's contributions totalled £262,000 (2019 - £240,000) and employees' contributions totalled £ 60,000 (2019 - £56,000). 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

	2020	2019
	%	%
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	23.2	23.7
Females	25.3	26.2
<i>Retiring in 20 years</i>		
Males	24.7	26.3
Females	27.3	29.0

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

	2020	2019
	£	£
Equities	1,327,000	1,364,000
Bonds	297,000	318,000
Property	264,000	160,000
Cash	90,000	35,000
Other	1,024,000	1,037,000
TOTAL MARKET VALUE OF ASSETS	3,002,000	2,914,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £127,000 (2019 - £180,000).

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

	2020 £	2019 £
Current service cost	(414,000)	(309,000)
Past service cost	(11,000)	(140,000)
Interest income	48,000	68,000
Interest cost	(109,000)	(124,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(486,000)	(505,000)

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

	2020 £	2019 £
At 1 September	6,104,000	4,418,000
Interest cost	109,000	124,000
Member contributions	60,000	56,000
Actuarial (gains)/losses	(355,000)	1,103,000
Benefits paid	(96,000)	(46,000)
Current service cost	414,000	309,000
Past service cost	11,000	140,000
At 31 August	6,247,000	6,104,000

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

	2020 £	2019 £
At 1 September	2,914,000	2,489,000
Interest income	54,000	73,000
Expected return on assets	(186,000)	107,000
Employer contributions	262,000	240,000
Member contributions	60,000	56,000
Benefits paid	(96,000)	(46,000)
Administration expense	(6,000)	(5,000)
At 31 August	3,002,000	2,914,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	3,740	4,126
Later than 1 year and not later than 5 years	11,220	14,960
	<u>14,960</u>	<u>19,086</u>

27. MEMBERS' LIABILITY

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

28. RELATED PARTY TRANSACTIONS

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

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

29. POST BALANCE SHEET EVENTS

On 30 November 2020 the Trustees voted to approve a transfer of the School, together with all assets and liabilities, to Wessex Learning Trust effective from 1 January 2021.

30. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2020 the Trust received £8,718 and disbursed £8,940 from the fund balance brought forward. An amount of £29,319 (2019: £29,451) is included in other creditors relating to undistributed funds that is repayable to the ESFA.