

**NANSLOE ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Company Registration No. 07808705 England and Wales

SATURDAY



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# **NANSLOE ACADEMY**

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# NANSLOE ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

CR Field  
IG Milne  
R Thomas  
N Wood

### Trustees

A Charleston  
CR Field (Accounting Officer)  
PK Hichens (Resigned 31 August 2018)  
IG Milne (Resigned 3 October 2018)  
DS Thompson  
D Noakes  
R Thomas (Chair)  
N Wood  
A Charleston (Appointed 20 June 2018)  
C Newby (Appointed 20 June 2018)  
B Michael (Appointed 3 October 2018)

### Senior management team

- Principal	Mr C Field
- Deputy principal	Mrs A Webb
- Assistant principal	Mrs L Swiggs
- Teacher	Mrs S Cooper

### Company registration number

07808705 (England and Wales)

### Principal address

Bulwark Road  
HELSTON  
Cornwall  
TR13 8JF

### Registered office

Bulwark Road  
HELSTON  
Cornwall  
TR13 8JF

### Independent auditor

Robinson Reed Layton LLP  
Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

### Bankers

NatWest Bank Plc  
29 Meneage Street  
HELSTON  
Cornwall  
TR13 8AZ

# NANSLOE ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Solicitors

Cornwall Council Legal Services  
Room 458  
County Hall  
TRURO  
Cornwall  
TR1 3AY

# NANSLOE ACADEMY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates a primary school for pupils aged 3 to 11 serving a catchment area in Helston, Cornwall. It has a pupil capacity of 210 and had a roll of 198 school children; the nursery has a pupil capacity of 24 children per session and had a roll of 19 children – all figures are as of the Autumn Census (4th October 2018).

#### **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 Nansloe Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million on any one claim.

##### Method of recruitment and appointment or election of trustees

The members may appoint up to 5 trustees. The members may appoint staff trustees through such process as they may determine, provided that the total number of trustees (including the principal) who are employees of the academy does not exceed one third of the total number of trustees. The Local Authority may appoint the LA trustee. The principal shall be treated for all purposes as being an ex officio trustee.

A minimum of two parent trustees are elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when he is elected. Any election of parent trustees which is contested is held by secret ballot. The number of parent trustees required is made up by parent trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

The trustees may appoint up to three co-opted trustees. A co-opted trustee means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the academy as a co-opted trustee if thereby the number of trustees who are employees of the academy would exceed one third of the total number of trustees (including the principal).

Election of the chair and vice chair of trustees is held annually. Trustees nominate and election is conducted by a show of hands where this is one candidate, or secret ballot where there is more than one candidate. In the event of a tie, each candidate is given the opportunity to speak to the trustees about their nomination and a further vote will be taken.

##### Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and are required to attend the new trustee training course provided by Cornwall Council.

# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### Organisational structure

The structure consists of three levels. The members, the trustees and the senior management team. The members of the trust comprise the signatories of the Memorandum, including the chair of trustees.

Each trustee is, in addition to being a member of the full governing body a member of either the Finance & Audit, Personnel, Policy, Curriculum & Standards or Building and Sites Committees with a minimum of two trustees on each committee. Trustees are also assigned specific areas of focus aligned to the management and administration of the academy of specific class links. The terms of reference, constitution and membership of any committee of the trustees shall be reviewed annually. No vote on any matter shall be taken at a meeting of a committee of the trustees unless the majority of members of the committee present are trustees.

The senior management team comprises the principal, deputy principal, assistant principal and one teacher who together have the executive responsibility for implementing the trustees' policies and delivering on the Objects of the Articles of Association.

In accordance with the Academy Financial Handbook, the trustees appointed the principal as the accounting officer and the trustees have delegated such powers and functions as they consider are required by the principal for the internal organisation, management and control of the academy (including implementation of all policies approved by the trustees and for the direction of the teaching and curriculum at the academy).

The finance committee also meets regularly throughout the year.

# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Arrangements for setting pay and remuneration of key management personnel

The Personnel Committee is responsible for setting pay and remuneration of key management personnel. Directors who sit upon this committee are not permitted to sit upon the Personnel Appeals Committee. Directors who have, or may have, a pecuniary interest must not sit on the Personnel Committee or the Appeals Committee. Staff directors are not precluded from being part of a committee which discusses the pay policy and its implementation, nor need they be precluded from reviewing the pay of staff other than themselves. They must not take part in discussions in which they have a direct or indirect pecuniary interest. Governing Bodies are advised when appointing the Personnel and Appeals Committees of the necessary numbers of directors involved in each so as to ensure that both committees can be properly constituted from within the Governing Body. The Governing Body procedure regulations require a quorum of three directors when deciding the size of the committee.

The Personnel Committee is responsible for the following:-

- To work within the parameters of the Whole School Pay Policy.
- To ensure that the pay policy is applied in a fair, non-discriminatory, equitable and transparent manner whilst having due regard to confidentiality.
- To ensure that the pay policy meets the Academy's needs for the recruitment, retention and development of staff.
- To determine the appointment salaries for all staff.
- To achieve fair and consistent pay relativity between jobs within the Academy.
- To have regard in the salary structure to substantial increases in duties and responsibilities, whether temporary or permanent.
- To consider the outcome from the Principal's performance management appraisal interview, including the appraisal statement and any supporting material from the two appointed directors and to decide whether or not to increase the pay of the Principal.
- To consider the outcome of the Deputy/Assistant Principal appraisal interviews including the appraisal statement(s) and any supporting material from the Principal and appointed directors, and to decide whether or not to increase pay up to two points within the pay range.
- To carry out an annual review of the Academy's staffing structure and pay.
- To consider individual requests from staff for a review of pay. See below for the administration of this process.
- To review the salary position of staff on the upper pay spine no less frequently than the second anniversary of the achievement of the previous pay point on the upper pay spine.

Any member of staff who has a grievance about his/her pay should notify the Clerk to Governors, in writing, stating the basis for requesting a review of his/her pay together with any supporting documentation they wish to submit. On receipt of a written grievance, about pay, the Clerk will liaise with the Chairman of the Personnel Committee and the Principal. In normal circumstances, the Chairman of the Personnel Committee, in consultation with the Principal and Clerk, will make arrangements to convene a meeting of the Personnel Committee within ten School days of receiving the request. Should the Principal wish to raise a grievance, s/he should write to the Chair of Directors who will convene a Personnel Committee meeting to consider the issue.

Any written documentation should be provided to the Personnel Committee at least five School days prior to the Committee meeting.

At the meeting of the Personnel Committee, the member of staff may be represented by a mutually acceptable colleague or a Trade Union representative (agreed at least 24 hours beforehand) and may present his/her case in writing and/or orally. The member of staff may call witnesses in support of his/her case.

The Personnel Committee's decision will be confirmed in writing within five School days of the hearing.

# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Related parties and other connected charities and organisations

The Academy works in consultation with:

- Other academies in the County e.g. Celtic Cross Education and Marlborough School.
- The Office Manager is a member of The Cornwall Association of Academies Business Managers.
- Helston Sports Partnership.
- The Principal is a member of the NAHT and CAPH.
- The school PTA, known as the Friends of Nansloe School, is run by a parent committee. The Friends raise money throughout the year which is used for specific 'extra' projects.
- During the academic year staff and pupils are involved in raising money for a number of charitable organisations, both national and local e.g. Children In Need, Sports Relief, RCH Children's Ward and the Royal British Legion.
- The Academy takes a full role in community activities including events organised by the Town Council, e.g. Freedom of Helston Parade, Beating the Boundaries, Remembrance Day Service. This year we took the whole school into town to watch RNAS Culdrose Freedom of Helston March and took the Academy Choir to Tesco's and two residential homes.

Related party transactions are detailed in Note 22 to the accounts.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the academy is to provide education for pupils of different abilities between the ages of 3-11.

In accordance with the articles of association the academy's object is restricted to the following; to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

##### Objectives, strategies and activities

The main objectives of the academy during the period 1 September 2017 to 31 August 2018 are summarised below:.

- To build on the success of the academy and create an innovative and exciting education provision with a child centred ethos where we endeavour to make the child ready to learn.
- To continue to enhance standards in reading, writing and maths.
- To create an outstanding and vibrant approach to teaching and learning across all year groups.
- To provide challenge and support with bespoke provision to enable pupils to move from dependence to independence and increase control over their own learning.
- Offer a broad, balanced curriculum to its pupils in a safe learning environment.
- To build on a successful OFSTED inspection.
- To promote the Learning Powers throughout the school to provide a shared vocabulary for talking about learning.
- To utilise Pupil Premium Funding to support the employment of a Learning Mentor/Autism Champion, a non-teaching Deputy Headteacher and a non-teaching Assistant Headteacher/SENCo.
- To lease two mini buses to support the whole school participation at sporting events and to support off-site learning in the local environment.
- To support the THRIVE classroom so that we can continue to provide a nurturing environment for those children in greatest need of this support.
- To provide extra swimming lessons to Year 5 and 6 pupils to ensure that all pupils leaving for secondary school are able to swim.
- To encourage outdoor learning throughout the school by continuing to progress the enhancement of our outdoor learning area on the school field.



# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

#### **Strategic report**

##### **Achievements and performance**

The Academy was incorporated on 1st November 2011 following consultations with parents, staff and governors and having explored all information sources available at the time.

In June 2016 we received a visit from Her Majesty's Chief Inspector of Education, Children's Services and Skills. The visit was a short inspection carried out over one day. The inspector reported back that the school continues to be good.

- The leadership team has maintained the good quality of education in the school since the last inspection.
- Safeguarding is effective

The Academy's main strategic goal is to ensure that our students receive a full rounded education which will set them up to achieve their very best and feel confident about their futures. To this end the activities provided include:

- Excellent tuition provided by motivated teachers
- Extra-curricular sporting and after school clubs provided, free of charge, by staff members.
- Teaching Staff who pursue their own continuous professional development
- Regular day trips out to support lessons, at no cost to the parents.
- To provide a fully funded residential trip (school camp) for Year 6 and to continue to provide funding for this until the present Year 3 leaves for secondary school (providing funding is available).
- Targeted individual student support for those requiring extra help in accordance with SEND guidelines
- Integrated working with outside agencies to support pupils and their families
- Support for children of Service Personnel through initiatives such as MKC HEROES, the appointment of a MKC School Welfare Officer and engaging with relevant service agencies
- Encourage understanding and tolerance of different cultures and religions.
- Before and after school care for those families who would like this.
- Employment of a Learning Mentor to support teachers with pupils who require extra help in accordance with SEND.
- Utilise the Primary Sports Grant to improve PE teaching and resources throughout the school.
- Ensure the FSM Pupil Premium is spent to support the learning and development of children who need extra support with the curriculum and social activities.
- Encourage parents of KS1 pupils, who are eligible, to apply for FSM even though their children receive the UFSM to ensure the school does not miss out on funding.
- Utilise Pupil Premium to employ non teaching Deputy and Assistant Head/SENCo. Together with a Learning Mentor/Autism Champion.

The key financial performance indicator for the Academy is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Academy is Government or Local Authority funded and therefore the income of the Academy is largely a given based on a standard formula.

An expenditure budget is set at the beginning of the year, taking into consideration the level of Government funding. The Governors have reviewed detailed capital and revenue expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2018*

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#### **Financial review**

The charitable company's accounting period is the year to 31 August 2018.

Most of the charitable company's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2018 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The academy also received grants for fixed assets from the ESFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

#### Reserves policy

Nansloe Academy School trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of Nansloe Academy and that government balances policies will always be adhered to.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for Nansloe Academy. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the Nansloe Academy finance committee.

A reserve is held within the unrestricted funds to provide protection against unforeseen financial risk. Free reserves of £206,921 (2017: £234,049) are being held to support future capital expenditure. The rolling programme of updating and replacing IT equipment is budgeted for and money held in reserve for this process.

The trustees consider the financial year end position of £1,687,954 (2017: £1,732,964) comprising £1,695,454 (2017: £1,760,915) of restricted fixed asset funds, £(214,421) (2017: £(262,000)) of restricted funds and £206,921 (2017: £234,049) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(220,000) (2017: £(262,000)) and general restricted funds of £5,579 (2017: £Nil).

The level of free reserves held by the charitable company are £206,921 (2017: £234,049).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £22,100 in addition to normal funding levels, over a period of 2 years, in order to bridge the scheme deficit.

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

# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Investment policy

Cash flow and current account balances will be regularly monitored to ensure immediate financial commitments can be met (e.g. payroll and supplier payments), and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £150,000 and £200,000 is likely to be maintained in the academy's current account.

The academy will seek to avoid its current account going overdrawn.

We have opened two Lloyds high interest deposit accounts which yield a higher interest rate. Funds surplus to immediate cash requirements will be identified and transferred to these account. Periodically (at least annually) interest rates will be reviewed and compared with other investment opportunities. Funds will only be invested in low risk and easily accessible deposit accounts.

Funds can be invested for periods from six weeks to 12 months or more based on medium to long term forecast and financial planning.

The trustees of Nansloe Academy are not allowed to make financial investments with any level of risk with third party organisations that may threaten the future of the organisation.

#### Principal risks and uncertainties

The trustees have considered and evaluated strategic, reputational, operational, compliance and financial risk to which the academy is exposed and have ensured that the management structure, systems and controls are in place to manage this risk, as well as insurance to cover financial loss and legal exposure in accordance with the academy financial handbook. This is reported in the statement of internal control document.

The governing body ensures regular review through an annual review of the internal controls and a quarterly review undertaken by the responsible officer. The finance committee meet once a term (more often if this should be required) and report to the full governing body once a term.

The principal risk facing the charitable company is the future level of government funding but in this they face the same formula as other schools and academies. All educational establishments are subject to the vagaries of demographics and fluctuating birth rates. Nansloe has the additional factor of an increasing number of Service Families and this brings with it difficulties in being able to predict year group numbers with any degree of certainty due to pupil movement at short notice.

#### Financial and risk management objectives and policies

The trustees have self-assessed financial and governance arrangements by reviewing the Statement of Internal Control, Scheme of Delegation, Governor Decision Planner annually and have successfully completed an end of year audit which did not highlight any deficiencies in the management of financial and governance arrangements.

#### **Fundraising**

The Deputy Head leads fundraising events for the school supported by members of FONS, our Parent/Teacher Association. Two key fundraising events are held each year; a Christmas Fayre and a Leavers' Summer Fayre. All events are held within the school grounds and monies raised are used solely for the educational benefit of our children – for example, staging to enhance Christmas plays, a gazebo for outdoor play and classroom activities.

All fundraising is undertaken in accordance with the Charities (Protection & Social Investment) Act 2016 and guidance contained within the Charity Commission publication "Charity fundraising – a guide to trustee duties."

# NANSLOE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Plans for future periods

- To investigate the possibility of joining with another MAT in the light of current political pressure.
- The Academy will continue to work towards the objectives in the School Improvement Plan
- Seeking to build on the success in literacy.
- Continuing to work to reduce the number of unauthorised absences throughout the school.
- Continuing with the rolling programme of updating and replacing IT equipment as required.
- Exploring sources of funding to enable much needed refurbishment of the Key Stage Two Classrooms.
- As numbers on roll increase, explore the possibility of increasing the PAN bearing in mind that this will necessitate a development of the infrastructure to support this.
- Encourage more pupil participation in sporting competitions.
- Continue to develop and implement Thrive throughout the school with a focus on children's mental health.
- Develop and encourage outdoor learning; seek to secure funding to improve and develop our outdoor learning environment.
- Having increased the opening hours of the Nursery (to 9am to 3pm) we will continue to monitor the take-up and feasibility of this. If numbers continue to grow, the possibility of extending the hours/sessions further will be investigated.
- To analyse the data on pupils' academic performance even more sharply to enable the pupils to make even quicker progress.
- Through FONS fundraising, to provide for musical instruments and upgrade the sound system.

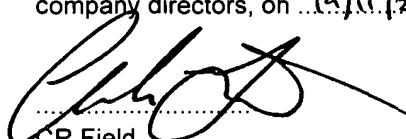
### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Robinson Reed Layton LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19/11/2018 and signed on its behalf by:

  
CR Field  
Accounting Officer

  
R Thomas  
Chair

# NANSLOE ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Nansloe Academy 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 principal as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Nansloe Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Charleston	3	4
CR Field (Accounting Officer)	4	4
PK Hichens (Resigned 31 August 2018)	4	4
IG Milne (Resigned 3 October 2018)	3	4
DS Thompson	1	4
D Noakes	3	4
R Thomas (Chair)	4	4
N Wood	3	4
A Charleston (Appointed 20 June 2018)	1	2
C Newby (Appointed 20 June 2018)	1	2
B Michael (Appointed 3 October 2018)	0	0

During the audit year, the Board of Trustees extended Mrs Charleston and Reverend Noakes' Term of Office for a further four years (to run to the 31st August 2022). Mrs Hichens' Term of Office was also extended to the 31st August 2018 (to run to the end of the academic year); her resignation (effective from the same date) was also accepted. Two elected unopposed Parent Governors (Mr Newby and Mr Charleston) joined the Board on the 20th June 2017 (a four year Term of Office).

The forthcoming academic and audit year (2018/2019) will see the resignation of Mr Milne and the co-option of Mr Michael. In accordance with Article 124 of the Articles of Association and to ensure continued association with the Academy, it is the wish of the Board to appoint Mr Milne as an Honorary Patron of the Nansloe Academy Trust.

During this audit year (2017/2018) a Governor Skills Audit has been undertaken – Governors were asked to report on their knowledge and skills in the following areas: Strategic Leadership / Accountability / People / Structures / Compliance / Education / Training.

The skills audit identified that Governors possess the skills essential for the running of an effective Governing Board.

New Parent Governors have been offered new governor training; their availability for the course dates is awaited.

The Trust intends to conduct its next self-evaluation in July 2019.

# NANSLOE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Review of value for money**

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

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

I accept that as accounting officer of **Nansloe Academy**, I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

- By **challenging** how and why services are provided to Nansloe Academy. We regularly review the academy's core functions through target setting and performance indicators to ensure continual improvement in all areas of the trust.
- By **comparing** the performance of Nansloe Academy with similar schools and neighbouring schools. This is performed through the use of effective financial management procedures, external audits and self-evaluation assessments.
- By promoting fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way possible.
- By **collaborating** with other academies and schools to obtain high quality and good value products, services and professional development opportunities, as well as developing and growing our own staff and services.

The trustees and directors of **Nansloe Academy** will strive to use its resources effectively to meet the needs of its pupils in all of our academies at all times. Value for money procedures have been implemented to work alongside the monitoring of the academy trust's budget as well as school improvement and asset management planning. These procedures have been and will continue to be reviewed on a regular basis by finance staff and trustees and discussed at full governor and committee meetings, following the advice and guidance provided by the academy trust's appointed responsible officer and external auditors.

### **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 Nansloe Academy for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

### **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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# NANSLOE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor but the finance committee will also act as the audit committee. However for the 2017/18 year the trustees appointed the LFS Team (Cornwall Council) to undertake the Responsible Officer (RO) duties. With effect from the forthcoming academic and audit year, Mrs K Worth, Bursar, has been appointed 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 quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. Checks undertaken include testing of the payroll systems, purchase systems, testing of control account/bank account.

It was also recommended that a cash flow statement should be produced to ensure there are enough funds to cover the Academy's activity. However, the bank balance is monitored closely to ensure there are enough funds.

The LFS Team have undertaken their termly RO checks. No material control issues have been identified, recommendations have been considered by the Finance & Audit Committee and implemented where achievable.

### **Review of effectiveness**

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the office manager within the academy who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 19/11/2018 and signed on its behalf by:



CR Field  
Accounting Officer



R Thomas  
Chair

# **NANSLOE ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018**

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As accounting officer of Nansloe Academy 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 trust, 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 2017.

I confirm that I and the academy's board of trustees are able to identify any material irregular or improper use of 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 2017.

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.

Approved on ...19/11/2018.... and signed by:



CR Field  
Accounting Officer



# NANSLOE ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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The trustees (who are also the directors of Nansloe Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 29/11/2018 and signed on its behalf by:



CR Field  
Accounting Officer



R Thomas  
Chair

# **NANSLOE ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NANSLOE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinion**

We have audited the accounts of Nansloe Academy for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### **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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# **NANSLOE ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NANSLOE ACADEMY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the 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 incorporated 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 accounts 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.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **NANSLOE ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NANSLOE ACADEMY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Use of our report**

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

*Robinson Reed Layton LLP*

**Mark Williams (Senior Statutory Auditor)  
for and on behalf of Robinson Reed Layton LLP**

20 November 2018

**Chartered Accountants  
Statutory Auditor**

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

# **NANSLOE ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NANSLOE ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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In accordance with the terms of our engagement letter dated 14 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nansloe Academy during the period 1 September 2017 to 31 August 2018 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 Nansloe Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Nansloe Academy 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 Nansloe Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Nansloe Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Nansloe Academy's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 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.

- The work undertaken to draw to our conclusion includes:
- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

# **NANSLOE ACADEMY**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Robinson Reed Layton LLP*

### **Reporting Accountant**

Robinson Reed Layton LLP

Dated: 20 November 2018

# NANSLOE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	5,059	-	6,338	11,397	16,736
Charitable activities:						
- Funding for educational operations	4	24,389	1,032,999	-	1,057,388	1,110,747
Other trading activities	5	20	-	-	20	40
Investments	6	451	-	-	451	1,174
<b>Total</b>		29,919	1,032,999	6,338	1,069,256	1,128,697
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	14,337	1,131,921	72,008	1,218,266	1,224,616
<b>Total</b>	7	14,337	1,131,921	72,008	1,218,266	1,224,616
<b>Net income/(expenditure)</b>		15,582	(98,922)	(65,670)	(149,010)	(95,919)
Transfers between funds	16	(42,710)	42,501	209	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	18	-	104,000	-	104,000	91,000
<b>Net movement in funds</b>		(27,128)	47,579	(65,461)	(45,010)	(4,919)
<b>Reconciliation of funds</b>						
Total funds brought forward		234,049	(262,000)	1,760,915	1,732,964	1,737,883
Total funds carried forward		206,921	(214,421)	1,695,454	1,687,954	1,732,964

# NANSLOE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	3,829	-	12,907	16,736
Charitable activities:					
- Funding for educational operations	4	28,478	1,082,269	-	1,110,747
Other trading activities	5	40	-	-	40
Investments	6	1,174	-	-	1,174
<b>Total</b>		<b>33,521</b>	<b>1,082,269</b>	<b>12,907</b>	<b>1,128,697</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	12,991	1,130,877	80,748	1,224,616
<b>Total</b>	7	<b>12,991</b>	<b>1,130,877</b>	<b>80,748</b>	<b>1,224,616</b>
<b>Net income/(expenditure)</b>		<b>20,530</b>	<b>(48,608)</b>	<b>(67,841)</b>	<b>(95,919)</b>
Transfers between funds	16	4,392	(4,392)	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	91,000	-	91,000
<b>Net movement in funds</b>		<b>24,922</b>	<b>38,000</b>	<b>(67,841)</b>	<b>(4,919)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		209,127	(300,000)	1,828,756	1,737,883
Total funds carried forward		234,049	(262,000)	1,760,915	1,732,964




# NANSLOE ACADEMY

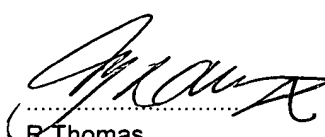
## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,635,849		1,707,857
<b>Current assets</b>					
Debtors	13	40,049		29,142	
Cash at bank and in hand		290,936		309,815	
		<u>330,985</u>		<u>338,957</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(58,880)		(51,850)	
<b>Net current assets</b>			272,105		287,107
<b>Net assets excluding pension liability</b>			1,907,954		1,994,964
Defined benefit pension scheme liability	18		(220,000)		(262,000)
<b>Net assets</b>			<u>1,687,954</u>		<u>1,732,964</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			1,695,454		1,760,915
- Restricted income funds			5,579		-
- Pension reserve			(220,000)		(262,000)
<b>Total restricted funds</b>			<u>1,481,033</u>		<u>1,498,915</u>
<b>Unrestricted income funds</b>	16		206,921		234,049
<b>Total funds</b>			<u>1,687,954</u>		<u>1,732,964</u>

The accounts on pages 21 to 43 were approved by the trustees and authorised for issue on 19/11/2018 and are signed on their behalf by:

  
CR Field  
Accounting Officer

  
R Thomas  
Chair

Company Number 07808705

# NANSLOE ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	19		(25,668)		23,769
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		451		1,174	
Capital grants from DfE Group		6,338		6,407	
Capital funding received from sponsors and others		-		6,500	
Purchase of tangible fixed assets		-		(13,116)	
<b>Net cash provided by investing activities</b>			6,789		965
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(18,879)		24,734
Cash and cash equivalents at beginning of the year			309,815		285,081
<b>Cash and cash equivalents at end of the year</b>			290,936		309,815

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

Nansloe Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

#### 1.1 Basis of preparation

The accounts of the academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nansloe Academy meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Income

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

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

##### Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land & buildings	2% per annum on cost
Computer equipment	25% per annum on cost
Furniture & equipment	25% per annum on cost

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

(Continued)

#### 1.9 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions benefits

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 and the assets are held separately from those of the academy.

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 projected unit method. The 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 are 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.

#### 1.11 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 funders where the asset acquired or created is held for a specific purpose.

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

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2018. 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.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	6,338	6,338	12,907
Other donations	5,059	-	5,059	3,829
	<u>5,059</u>	<u>6,338</u>	<u>11,397</u>	<u>16,736</u>

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	831,071	831,071	875,073
Other DfE group grants	-	146,363	146,363	139,390
	-	977,434	977,434	1,014,463
<b>Other government grants</b>				
Local authority grants	-	55,565	55,565	67,806
<b>Other funding</b>				
Other incoming resources	24,389	-	24,389	28,478
<b>Total funding</b>	24,389	1,032,999	1,057,388	1,110,747

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Other income	20	-	20	40

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	451	-	451	1,174

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	792,776	-	48,455	841,231	817,135
- Allocated support costs	149,452	134,483	93,100	377,035	407,481
	942,228	134,483	141,555	1,218,266	1,224,616



# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure

(Continued)

Net income/(expenditure) for the year includes:	2018 £	2017 £
Fees payable to auditor for:		
- Audit	2,000	2,000
- Other services	3,605	3,525
Operating lease rentals	9,462	3,358
Depreciation of tangible fixed assets	72,008	80,748
Net interest on defined benefit pension liability	7,000	6,000

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	13,417	827,814	841,231	817,135
<b>Support costs</b>				
Educational operations	920	376,115	377,035	407,481
	14,337	1,203,929	1,218,266	1,224,616

	2018 £	2017 £
<b>Analysis of support costs</b>		
Support staff costs	149,452	158,061
Depreciation	72,008	80,748
Technology costs	5,627	5,436
Premises costs	62,475	72,801
Other support costs	84,769	87,243
Governance costs	2,704	3,192
	377,035	407,481

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	660,112	667,488
Social security costs	53,185	55,718
Pension costs	176,782	167,622
Staff costs	890,079	890,828
Agency staff costs	36,148	14,552
Staff restructuring costs	4,750	-
Staff development and other staff costs	11,251	8,974
Total staff expenditure	942,228	914,354

Staff restructuring costs comprise:

Redundancy payments	4,500	-
Other restructuring costs	250	-
	4,750	-

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £4,500 (2017: £Nil). Individually, the payments were: £4,500.

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	6	7
Administration and support	25	23
Management	4	3
	35	33

#### Higher paid staff

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

	2018 Number	2017 Number
70,001 - 80,000	1	1

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 9 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy comprise the trustees and the senior management 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 £255,446 (2017: £258,880)

### 10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

#### C Field (headteacher):

- Remuneration £70,000 - £75,000 (2017: £70,000 - £75,000)
- Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

#### A Charleston (receptionist):

- Remuneration £10,000 - £15,000 (2017: £5,000 - £10,000)
- Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

During the year, travel and subsistence payments totalling £Nil (2017: £Nil) were reimbursed or paid directly to no trustees (2017: no trustees).

Other related party transactions involving the trustees are set out within the related parties note.

### 11 Trustees and officers insurance

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £119 (2017: £369).

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Leasehold land & buildings £	Computer equipment £	Furniture & equipment £	Total £
<b>Cost</b>				
At 1 September 2017 and 31 August 2018	1,828,773	93,443	125,136	2,047,352
<b>Depreciation</b>				
At 1 September 2017	174,770	75,273	89,452	339,495
Charge for the year	36,580	13,521	21,907	72,008
At 31 August 2018	211,350	88,794	111,359	411,503
<b>Net book value</b>				
At 31 August 2018	1,617,423	4,649	13,777	1,635,849
At 31 August 2017	1,654,003	18,170	35,684	1,707,857

### 13 Debtors

	2018 £	2017 £
VAT recoverable	4,510	2,975
Prepayments and accrued income	35,539	26,167
	40,049	29,142

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

	2018 £	2017 £
Trade creditors	2,296	15,354
Other taxation and social security	14,249	13,460
Other creditors	15,723	-
Accruals and deferred income	26,612	23,036
	58,880	51,850

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

15	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	15,550	15,041
	Deferred income at 1 September 2017	15,041	16,443
	Released from previous years	(15,041)	(16,443)
	Resources deferred in the year	15,550	15,041
	<b>Deferred income at 31 August 2018</b>	<b>15,550</b>	<b>15,041</b>

Deferred income of £15,550 (2017: £15,041) consists of free school meals funding received in advance.

16	Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	831,071	(873,572)	42,501	-
	Other DfE / ESFA grants	-	146,363	(140,784)	-	5,579
	Other government grants	-	55,565	(55,565)	-	-
	Pension reserve	(262,000)	-	(62,000)	104,000	(220,000)
		(262,000)	1,032,999	(1,131,921)	146,501	(214,421)
	<b>Restricted fixed asset funds</b>					
	Transfer on conversion	714,786	-	(16,184)	-	698,602
	DfE group capital grants	900,712	6,338	(30,115)	(5,658)	871,277
	Capital expenditure from GAG	145,417	-	(21,676)	209	123,950
	Private sector capital sponsorship	-	-	(4,033)	5,658	1,625
		1,760,915	6,338	(72,008)	209	1,695,454
	<b>Total restricted funds</b>	<b>1,498,915</b>	<b>1,039,337</b>	<b>(1,203,929)</b>	<b>146,710</b>	<b>1,481,033</b>
	<b>Unrestricted funds</b>					
	General funds	234,049	29,919	(14,337)	(42,710)	206,921
	<b>Total funds</b>	<b>1,732,964</b>	<b>1,069,256</b>	<b>(1,218,266)</b>	<b>104,000</b>	<b>1,687,954</b>

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

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

**Restricted general funds** - The restricted general fund includes grants receivable from the Education and Skills Funding Agency and the Department for Education towards the principal activity of the academy, being the provision of education.

**Restricted fixed asset funds** - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to Nansloe Academy on 1 November 2011 and Education and Skills Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Comparative information in respect of the preceding period is as follows:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	875,073	(870,681)	(4,392)	-
Other DfE / ESFA grants	-	139,390	(139,390)	-	-
Other government grants	-	67,806	(67,806)	-	-
Pension reserve	(300,000)	-	(53,000)	91,000	(262,000)
	<u>(300,000)</u>	<u>1,082,269</u>	<u>(1,130,877)</u>	<u>86,608</u>	<u>(262,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	730,970	-	(16,184)	-	714,786
DfE group capital grants	918,762	12,907	(30,957)	-	900,712
Capital expenditure from GAG	178,013	-	(32,596)	-	145,417
Private sector capital sponsorship	1,011	-	(1,011)	-	-
	<u>1,828,756</u>	<u>12,907</u>	<u>(80,748)</u>	<u>-</u>	<u>1,760,915</u>
<b>Total restricted funds</b>	<u>1,528,756</u>	<u>1,095,176</u>	<u>(1,211,625)</u>	<u>86,608</u>	<u>1,498,915</u>
<b>Unrestricted funds</b>					
General funds	<u>209,127</u>	<u>33,521</u>	<u>(12,991)</u>	<u>4,392</u>	<u>234,049</u>
<b>Total funds</b>	<u>1,737,883</u>	<u>1,128,697</u>	<u>(1,224,616)</u>	<u>91,000</u>	<u>1,732,964</u>

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,706,144	(1,744,253)	38,109	-
Other DfE / ESFA grants	-	285,753	(280,174)	-	5,579
Other government grants	-	123,371	(123,371)	-	-
Pension reserve	(300,000)	-	(115,000)	195,000	(220,000)
	<u>(300,000)</u>	<u>2,115,268</u>	<u>(2,262,798)</u>	<u>233,109</u>	<u>(214,421)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	730,970	-	(32,368)	-	698,602
DfE group capital grants	918,762	19,245	(61,072)	(5,658)	871,277
Capital expenditure from GAG	178,013	-	(54,272)	209	123,950
Private sector capital sponsorship	1,011	-	(5,044)	5,658	1,625
	<u>1,828,756</u>	<u>19,245</u>	<u>(152,756)</u>	<u>209</u>	<u>1,695,454</u>
<b>Total restricted funds</b>	<u>1,528,756</u>	<u>2,134,513</u>	<u>(2,415,554)</u>	<u>233,318</u>	<u>1,481,033</u>
<b>Unrestricted funds</b>					
General funds	<u>209,127</u>	<u>63,440</u>	<u>(27,328)</u>	<u>(38,318)</u>	<u>206,921</u>
<b>Total funds</b>	<u>1,737,883</u>	<u>2,197,953</u>	<u>(2,442,882)</u>	<u>195,000</u>	<u>1,687,954</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,635,849	1,635,849
Current assets	265,801	5,579	59,605	330,985
Creditors falling due within one year	(58,880)	-	-	(58,880)
Defined benefit pension liability	-	(220,000)	-	(220,000)
<b>Total net assets</b>	<u>206,921</u>	<u>(214,421)</u>	<u>1,695,454</u>	<u>1,687,954</u>

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	1,707,857	1,707,857
Current assets	285,899	-	53,058	338,957
Creditors falling due within one year	(51,850)	-	-	(51,850)
Defined benefit pension liability	-	(262,000)	-	(262,000)
<b>Total net assets</b>	<b>234,049</b>	<b>(262,000)</b>	<b>1,760,915</b>	<b>1,732,964</b>

### 18 Pension and similar obligations

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 Cornwall Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £15,700 (2017: £Nil) were payable to the schemes at 31 August 2018 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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



# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £70,929 (2017: £99,908).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.2% for employers and 5.5% to 12.5% for employees.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £22,100 in addition to normal funding levels, over a period of 2 years, in order to bridge the scheme deficit.

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.

Total contributions made	2018 £	2017 £
Employer's contributions	55,000	53,000
Employees' contributions	15,000	15,000
Total contributions	70,000	68,000

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.4	2.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.5	24.5
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.4	26.4

### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2018:

0.5% decrease in Real Discount Rate - 15% approximate increase to Employer Liability equating to approximately £114,000.

0.5% increase in the Salary Increase Rate - 2% approximate increase to Employer Liability equating to approximately £15,000

0.5% increase in the Pension Increase Rate - 13% approximate increase to Employer Liability equating to approximately £97,000.

### The academy's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	266,000	211,000
Bonds	234,000	193,000
Property	38,000	31,000
Other assets	5,000	13,000
Total market value of assets	543,000	448,000

The actual return on scheme assets was £26,000 (2017: £5,000).

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	110,000	100,000
Interest income	(12,000)	(9,000)
Interest cost	19,000	15,000
Total operating charge	117,000	106,000

Changes in the present value of defined benefit obligations	2018 £
At 1 September 2017	710,000
Current service cost	110,000
Interest cost	19,000
Employee contributions	15,000
Actuarial gain	(90,000)
Benefits paid	(1,000)
At 31 August 2018	763,000

Changes in the fair value of the academy's share of scheme assets	2018 £
At 1 September 2017	448,000
Interest income	12,000
Actuarial (gain)/loss	14,000
Employer contributions	55,000
Employee contributions	15,000
Benefits paid	(1,000)
At 31 August 2018	543,000

# NANSLOE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(149,010)	(95,919)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(6,338)	(12,907)
Investment income receivable	(451)	(1,174)
Defined benefit pension costs less contributions payable	55,000	47,000
Defined benefit pension net finance cost	7,000	6,000
Depreciation of tangible fixed assets	72,008	80,748
(Increase)/decrease in debtors	(10,907)	12,545
Increase/(decrease) in creditors	7,030	(12,524)
<b>Net cash (used in)/provided by operating activities</b>	<b>(25,668)</b>	<b>23,769</b>

### 20 Contingent asset

As at the year end there was approximately £16,650 of insurance staff claims outstanding relating to staff sickness during the year. These have not been recognised within the statement of financial activities as the claims have not yet been approved by the insurance company.

### 21 Commitments under operating leases

At 31 August 2018 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	9,462	9,462
Amounts due in two and five years	11,828	21,290
	<b>21,290</b>	<b>30,752</b>

### 22 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy has an interest. All transactions involving such organisations are conducted in accordance with the academy's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

A Noakes - daughter-in-law of D Noakes, a trustee and sister-in-law of GL Thomas, a trustee. Transactions totalling £12,267 (2017: £12,496) relating to employment as a teaching assistant (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2018 (2017: £Nil). In entering into the transaction the academy trust has complied with the requirements of the ESFA's Academies Financial Handbook.

# **NANSLOE ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### **23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.