

WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Governance Statement	14 - 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditors' Report on the Financial Statements	21 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26 - 27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 60

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members

L Baker
N Mouzouri
E Gregory (appointed, 01/09/2019)
K Tucker

P Rushforth, Chief Executive Officer¹
D Shelley (resigned 3 January 2020)
K Tucker¹
A Kingston-James (appointed 11 December 2019)
H Lake
J Ewen
F Miller (appointed 11 December 2019)
J Bellamy (appointed 1 September 2019)
S Brown, Chair
J Keeley (appointed 1 April 2019, resigned 28 February 2020)
C Wood (appointed 11 November 2019)
A Giles (appointed 7 November 2019)

¹ Finance & Audit

Company registered number 07630164

Company name West Somerset Academies Trust

Principal and registered office Minehead Middle School
Ponsford Road
Minehead
Somerset
TA24 5RH

Company secretary Barbara O'Keefe

Chief executive officer Paul Rushforth

Senior management team

*Paul Rushforth, Chief Executive Officer
*Barbara O'Keefe, Chief Operations Officer
Dan Hartley, Headteacher
Janine Donovan, Headteacher
Adam Evans, Headteacher
Emma Murch, Director of Early Years
Sebastian Crossley, Executive SENCO

*Key management personnel for the purpose of disclosure in the accounts.

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Bankers Lloyds Bank
 23 Fore Street
 Williton
 Taunton
 TA4 4QF

Solicitors Browne Jacobson

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates six academies and four nurseries in West Somerset. Its academies have a combined pupil capacity of 1,736 and had a roll of 1,599 in the school census in October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of West Somerset Academies Trust are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£8,247,310

Percentage of total pay bill spent on facility time	-	%
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Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is: Unlimited.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1st May 2016 The West Somerset Academies Trust was established.

The Academy Trust has the following Trustees as set out in its Articles of Association and funding agreement:

- up to 12 Trustees who are appointed by members
- up to 3 Trustees who are appointed by the Diocese of Bath & Wells, provided that the total number of these Trustees would not exceed 50% of the total number of Trustees.
- up to 3 Parent Trustees who are elected by Parents of registered pupils at the Academies
- Staff Trustees: members shall ensure that the total number of Trustees (including the Chief Executive Officer) who are employees of the Company does not exceed one third of the total number of Trustees
- up to 2 Community Trustees who are appointed by the Trustee Board.
- the Chief Executive Officer

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees. The Trust buys in support from the Local Authority Governor Services Team.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour and a chance to meet staff and children. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

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

Organisational Structure

The West Somerset Academies Trust Board of Trustees normally meet eight times per annum. The Board establishes an overall framework for the governance of the Academy Trust and through its Scheme of Delegation determines membership, terms of reference and procedures of Local Governing Bodies and Academic Board. It receives reports for ratification and monitors the activities of the Local Governing Bodies and Academic Board. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Board has agreed a governance structure and associated Scheme of Delegation.

During 2019/20 the following committee was in place:

Finance & Audit: this meets at least three times a year and is responsible for:

- Monitoring, evaluating and reviewing policy and performance in relation to financial management
- Compliance with reporting and regulatory requirements and receiving reports from the Responsible Officer/internal auditor
- Scrutinising and challenging the draft annual budget including staffing levels. It also incorporates the role of an audit committee

The following decisions are reserved to the Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its structure,
- to appoint or remove the Chairman and/or Vice Chairman,
- to appoint the Chief Executive Officer, Chief Operations Officer and Clerk to the Trustees
- to approve the budget.

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

The Board of Trustees has devolved responsibility for day to day management of the Academy Trust to the Chief Executive Officer (CEO), Chief Operations Officer (COO) and Academic Board (Senior Leadership Team). The CEO and COO ensure that individual academies implement the policies as laid down by the Trustees and report back to them on performance.

The Trust has a Governance and leadership structure which consists of the Trustees, CEO, COO and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Academy Headteachers and Trust Advisory staff. The Headteachers manage their academies at an executive level, implementing the policies laid down by the Trustees and reporting back to them. Budget holders are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The members of the senior leadership team, as identified on Page 1, comprise the key management personnel of each academy in charge of directing and controlling, running and operating the Trust on a day to day basis.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is based on recommended national pay scales with an element of performance related pay.

Connected Organisations, including Related Party Relationships

The Academy Trust has strong collaborative links with partner first schools which form the Moorland Federation.

The Academy Trust has furthered and strengthened its links with the West Somerset College and this has been, and will continue to be, a strong focus and area for development.

Strong links have been established with the Rotary Club, Exmoor Rangers and Minehead Cricket, Lions Club, Rugby and Tennis clubs and all our local churches.

There are no related parties which either control or significantly influence the decisions and operations of The West Somerset Academies Trust. There are no sponsors or formal Parent Teacher Associations associated with the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of The West Somerset Academies Trust is to provide free education and care for pupils of different abilities. In all our schools we aim to offer a rich, happy and stimulating environment for children that will promote learning, hard work, initiative, self-discipline and responsibility, both within the school and the wider community. Our aim is to nurture happy, well rounded, accomplished children. We value gentleness and humility; we appreciate good manners, and we embrace traditional values.

The core aims of the Trust during the year ended 31 August 2020 are summarised below:

VALUES, VISION AND OUR CORE BELIEFS

OUR AGREED VALUES ARE:

- Putting the individual child at the centre of our thinking
- Striving for the highest academic standards
- Developing good character
- Inspiring love in our community

WE AIM TO:

- provide world class education for the children of West Somerset.
- raise standards, at every level to above the National Average.
- develop excellence in teaching, leadership and governance.
- provide stability for the schooling system of West Somerset.
- be relentless in our pursuit of school improvement and adopt a 'no excuses' approach
- prepare our children for a lifetime of learning

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

OUR CORE BELIEFS:

- We put the individual child at the centre of our thinking.
- We believe in the development of good character.
- We believe in the highest standards of academic development.
- We believe it is our task to inspire self-denying good will in our schools and communities.
- We believe teachers are also learners and we will learn from each other to ensure the best impact on our pupils

HOW OUR VISION & VALUES INFORM HOW WE OPERATE:

- We will always be honest and kind with each other but won't hide from conflict.
- We will have the highest expectations of ourselves and each other.
- Effective communication will be at the core of how we operate.
- We will celebrate the identity and character of each individual school within the Trust
- We will maintain and celebrate the Christian distinctiveness of the Church Schools within our Trust
- We will monitor progress and performance in a number of different ways at key points in the academic year.
- We will share good practice and resources whenever possible.

At the West Somerset Academies Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are identified in the Trust Development Plan. The Trust Development Plan highlights key proposed outcomes in a number of areas. Some of these key priorities are summarised below:

Communications and Public Relations

- The Trust will be a known entity in our community.
- Teachers and support staff will understand and share the values of the Trust and will be positive about their future within it.
- They will understand the structure of the Trust and how it works and have confidence that it will support them in improving outcomes for children.
- We will have worked closely with schools not in the Trust and have helped governors and heads to make an informed decision about their position.

Standards

- Provision for EYFS will improve and standards in the EYFS will rise above National Average.
- Phonics outcomes will be well above the National Average
- Progress to KS2 and Year 8 will be greater than the National Average and most of our children will leave for the college attaining higher than the National Average.
- Trust leaders will have a deeper understanding of the quality of provision across the Trust.

Staffing

- Heads will have enough support to ensure standards rise whilst we maintain the values of the Trust.
- We will use TeachFirst Teachers to attract the very best candidates to our schools
- We will have more students across the Trust with one person nominated to support them.
- We will have a high quality appraisal system for all staff.
- Maths outcomes will start to rise.

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

Governance

- We will have a clear mechanism for reporting on standards throughout the Trust to the Trustees.
- We will have a succession plan for senior leaders.
- We will have a considered approach to the development of our Trust.

Central Support Services

- Financial management plans will be in place to help ensure that all schools achieve in year balances and that Trust reserves are protected.
- The Trust HR & Payroll management information systems will be operating effectively and will meet needs of the Trust.
- The Trust Catering Business Plan will be revisited and redrafted, to ensure that catering provision is of excellent quality and best meets the needs of children, staff and visitors to our schools.

Public Benefit

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

The Academy Trust aims to advance for the public benefit, education in West Somerset. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development schools and offering a broad curriculum.

Across its schools the Academy Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

Prior to the February lockdown, children were on track to achieve the highest standards ever in phonics outcomes, KS1 and KS2 assessments and in reading and Maths at Year 8. Unfortunately, when Covid19 struck and our schools were closed, it was not possible to assess our children.

We were proud however of the way our schools made provision for our children even in the most challenging of circumstances. We quickly moved to online learning and were able to capitalise on a far-sighted policy of providing each child in Year 5 and 6 with Chromebooks. We were able to bring this programme forward this year so that all the children in current Years 5,6 and 7 have Chromebooks together with those who most need them in other years.

We made rapid provision for children who are entitled to Free School meals and worked closely with Co-op supermarkets to provide credit that our parents could use in their local store.

We made provision for key workers children throughout the lockdown and fully opened to Year R, 1 and 6 when asked to. We have also worked tirelessly to ensure that those children who were vulnerable were given a place at school or carefully considered support at home.

For the first time in many years, we were fully staffed in September. Even when a member of staff unexpectedly resigned, we were able to bring in a replacement very rapidly from another school. This results from forward planning and the support of the Opportunity Area – that helped us to employ Teach First Teachers last year. Of the four we employed, three have stayed with us after their training period with Teach First had ended.

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

On return to school we quickly developed a catch-up strategy for children who had fallen behind during the lockdown period. Critical to this was an accurate assessment of each child. This has been achieved by Nationally recognised and calibrated online tests – NGRT, CATs and PTE and PTM. A careful analysis of the outcomes of these tests demonstrates that younger children from the most disadvantaged backgrounds fared worse during the lock down. The development plan recognises this challenge and we are planning for additional activities to ensure that these children catch up quickly.

Of equal importance to us is the provision of music and drama and PE. This has resumed almost as normal after the lockdown – though there are many precautions in place and performances are now somewhat limited. It has not been possible to take our children swimming and we are mindful that there will be now a large group of children who cannot swim. This presents real dangers for children growing up in a coastal town and we plan to hold additional sessions as soon as practical.

Covid19 is being managed effectively in our schools and we have put in place many, many precautions to ensure we do not spread the virus - the most important of which are:

- Grouping the children into bubbles
- Insisting on frequent handwashing and sanitising
- Additional sanitising for all books and equipment.

It has been a very challenging year, but by working together, our schools are well placed to recover the lost ground caused by Covid19.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2020, the Trust received total income (excluding pension and fixed assets) of £10,341,992 (2019: £9,634,586) and incurred total expenditure of £10,587,868 (2019: £10,404,711). The excess of expenditure over income for the year was £245,876 (2019: £770,125).

At 31 August 2020 the net book value of fixed assets was £12,479,155 and movements in tangible fixed assets are shown in note 16 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion. Land and buildings were professionally valued on conversion at £12,077,274. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

During 2019/20 the Trust delivered two significant Government funded Capital Improvement Fund (CIF) Projects: window replacement programmes at Danesfield (£739k) and Minehead Middle (£439k). We have also been successful in bidding for funds in 2020/21 for roof replacement projects at Minehead Middle (£787k) and Minehead First (£438k). These capital programmes are successfully improving our building stock and significantly improving the learning environment for the children in our care.

Key financial policies adopted or reviewed during the year include the Finance Regulations and Procedures Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, managers, budget holders and other staff, as well as delegated authority for spending.

Since the Trust was established, there have been savings made in several areas. The Chief Operations Officer has restructured the delivery of support services across the Trust, centralising: Finance, Admin, HR & Payroll, Catering and Premises Management. As well as achieving some financial savings it is intended that there will be improvement on effectiveness and efficiency. New financial management and budget planning software and HR & Payroll software, better suited for MATs, have been procured and installed and will better support financial management, monitoring and reporting.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The reserves policy has taken account of future funding forecasts.

It is the policy of our Trust to ensure that there is an appropriate level of reserve which will enable the Trust to respond to the demands of major equipment/resource cyclical replacement and any unforeseen contingencies.

Trustees have previously determined that an ideal base level for reserve should be in line with one month's expenditure across the Trust. The actual level of free reserves at the year-end excluding the fixed asset and pension reserve was £374,167. Taking this into account Trustees have decided not to designate any reserves against specific expenditure areas in 2020/21; expenditure will be in line with the annual budget as agreed by Trustees. Specific strategies that have been put in place to reduce in year deficits include: extending shared Headships across our schools, restructuring of nursery models to reduce staffing costs; introducing mixed year classes in one of our first schools and restricting the use of external supply cover across all settings. The Trust Board has agreed a five-year financial plan which will increase the level of reserve, to better support financial sustainability; trustees keep this plan under review on an ongoing basis.

Future reserves levels will be built up through close monitoring of the costs and income of the Trust and attempting to make cost savings on the budget throughout the financial year.

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

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Following regular investigation to achieve best value and maximise return, we have determined that our current arrangements work well and attract the same rate of interest as many other providers. We therefore retain our account with Lloyds Bank as they provide a high level of service delivery which meets our current needs.

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

Due to the nature and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short-term requirements. The Trust is working with our bankers to develop an investment approach which will generate additional income for the benefit of children in our schools.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the CEO and COO within strict guidelines approved by the Board of Trustees.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Trust's incoming resources were ultimately Government funded and this level is expected to reduce and put the Trust under increasing financial pressure. The financial impact of COVID cannot yet be fully assessed, but ongoing budgets take account of some additional COVID related expenditure.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review this area to ensure that robust operating systems and procedures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract children to our schools in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that children's success and achievement are closely monitored and reviewed and that learning environments and resources are maintained to a high standard.

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

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Recruitment of high-quality staff who demonstrate enthusiasm for teaching and learning is a key area and therefore the Trust will continue to ensure that the staff employed are the best for the Trust, cost is not always the deciding factor in the recruitment process.

Fraud and mismanagement of funds - the Trust has appointed a Responsible Officer (the Local Authority Education Finance Team) to carry out checks on financial systems and records as required by the Academy Financial Handbook. All Trust finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

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

Changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Trust Development Plan, which is available on our website or from the Clerk to the Trustees. The future key performance indicators are:

Key Performance Indicators 2020/21

1. Proportion of children in the trust achieving a GLD is broadly in line or above national
2. Year 1 phonics screening check outcomes for pupils in the trust will remain above national average.
3. At the end of key stage 1, outcomes will be in line with or exceed national in reading, writing and mathematics.
4. At the end of key stage 2, progress will continue to be above average in reading, writing and mathematics in MMS and in line at Danesfield.
5. 65% (above National Average) of children in KS2 will be ARE in reading and writing and maths. Combined outcomes at the end of key stage 2 at MMS will be above national and at Danesfield will be 60%.
6. At the end of Year 8, outcomes remain above national average in reading (105) and mathematics (104) in both schools.
7. 95% of our children are able to swim 25m at the end of year 6 and 100% are able to swim 25m at the end of Year 8
8. By the end of Year 6, 95% of children have had the opportunity of learning to play a musical instrument with 25% continuing to play an instrument after Year 6.
9. There are no deficit budgets set within the Trust and systems relating to personnel are robust.
10. All of our schools have gained Artsmark gold.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Staff Consultation and Disability for Employees

With regard to staff consultation the Trust Board works to ensure that staff are consulted at all times on fundamental issues impacting upon their employment and condition of service. To this end the Board worked jointly with staff and their representatives to prepare a 'Statement of Intent' which cover all such aspects.

Disability

The Trust is committed to the elimination of discrimination and equal treatment in employment. This applies to all stages of employment including recruitment, selection, learning and training, pay, working relationships, career development, redundancy and retirement. This commitment is clearly demonstrated and referred to in the many of the Academy Trust policies. No one will unlawfully be disadvantaged on the grounds of age, race or ethnicity, disability, gender and marital status, gender identity, sexual orientation, religion or belief under the operation of this policy.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:

S Brown
Chair of Trustees

**WEST SOMERSET ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 West Somerset Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year. This would generally be 6, but meetings have been affected by Covid19.

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

Trustee	Meetings attended	Out of a possible
S Brown, Chair	5	6
P Rushforth, Chief Executive Officer	6	6
K Tucker	5	6
H Lake	5	6
J Ewen	6	6
J Bellamy	5	6
A Kingston-James	4	4
A Giles	4	4
F Miller	4	4
C Wood	2	4
D Shelley	2	3
J Keeley	4	4

The Trustees undertake self-evaluation each year. They do this by responding to questionnaires which cover different areas of their work. From those responses a training schedule is drawn up to:

- address any gaps in their knowledge
- provide refresher training on subjects which are relevant for that year

At the end of the summer term, Trustees also reflect upon what went well, what they achieved and whether they achieved their stated aim of being a "critical friend".

The Finance & Audit committee is a sub committee of the main Board of Trustees. Its purpose is to:

Monitor and review the budget; ensure that due diligence is maintained and that the risk of fraud is small. They do this by receiving financial reports, internal auditor reports and audit reports.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Attendance during the year at Finance & Audit committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Bellamy	2	2
P Rushforth	2	2
K Tucker	1	1
A Kingston-James	2	2
A Giles	2	2
C Wood	1	1
J Keeley	1	1

Four trustees resigned during the academic year. Following a robust recruitment process, taking account of the skills required on the Trust Board, four new trustees were appointed during the year.

Trustees received financial monitoring reports on a regular basis. Consolidated management accounts reports are posted onto the Trust Governance portal on a monthly basis; detailed management accounts, reflecting the financial position of individual schools and nurseries, are posted in months 3, 6 and 9.

Trustees received regular pupil progress and attainment data throughout the year. The Board used local and national benchmarking data to assess pupil progress across the Trust and present professional challenge to Trust educational professionals. The Trust carries out internal reviews across all of its schools, involving external professional to support the review process. Review reports were presented to trustees, to enable the Board to challenge report outcomes and prioritise future actions.

During the year the trustees had input into the process of reviewing and updating the Trust's Risk Register, better enabling trustees to control and manage risk across the Trust.

Trust educational professionals made regular presentation to the Trust Board throughout the year. This gave extended opportunities for trustees to challenge proposals and examine their effectiveness and efficiency and review curriculum provision.

REVIEW OF VALUE FOR MONEY

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

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

- Throughout the year the Trust has kept its staffing structure under review. Extensive resource has been allocated to ensure that children have access to high quality teaching and a wide and varied curriculum.
- Sharing senior leadership costs across our schools had led to salary savings
- Trustees and school leaders will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult pupil ratio and curriculum management. The staffing structure is reviewed annually to ensure the most appropriate provision for our pupils
- We have worked hard with our partner schools, sharing INSETs and expertise across the federation to drive up standards at minimal financial cost. West Somerset Opportunities Area funding has supported training.
- Our children make outstanding progress from intake to exit, achieving results above those expected. Children's behaviour is outstanding and results from children's questionnaires demonstrate that our children enjoy coming to school and feel safe.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

- A number of programmes are in place to support pupils identified by Pupil Premium, FSM/FMS Ever 6 and SEN. These include 1:2 and 1:1 tuition, Maths and English booster lessons, pastoral support, mentoring, Outreach support and counselling.
- Curriculum budgets were maintained this year to enable subject leaders to enhance the resources used in the classroom.
- Additional resource was targeted to support home learning, resulting from COVID; this has been vital to support some of our more vulnerable families. Allocation of Chromebooks during 2019/20 has also been of significant benefit to our children
- The Trust targeted significant funds to ensure that families entitled to free school meals benefitted from the Coop gift card scheme, receiving £15 per child per week, including school holiday periods.
- Trustees, Governors and school leaders review the quality of children's learning, by cohort, class and group to provide the learning environment which enables children to achieve nationally expected progress. We set ambitious targets. Termly pupil progress meetings monitor the progress of all groups of pupils and provide informed judgements for intervention programmes which address identified underachievement.
- Robust performance management systems ensure that all staff are aware of their responsibilities with regard to monitoring and achievement. This, coupled with regular book scrutinies and lesson observations, ensures that the culture of high achievement for all pupils runs throughout the Trust.
- Since the Trust was established, there have been savings made in several areas. The Chief Operations Officer has restructured the delivery of support services across the Trust, centralising: Finance, Admin, HR & Payroll and Premises Management. As well as achieving some financial savings it is intended that there will be improvement on effectiveness and efficiency. New financial management and budget planning software, better suited for MATs, has been procured and installed and will better support financial management, monitoring and reporting.
- To ensure full compliance, contracts for mechanical & electrical service and inspections, health & safety management, fire risk assessments and asbestos management are awarded and managed centrally, generating cost and efficiency savings.
- Staff are increasingly working at more than one setting across the Trust, providing increased professional development opportunities and potentially making savings
- Photocopying costs are being managed and controlled more robustly, achieving cost and efficiency savings
- Online payment systems have been introduced across the Trust, making it easier for families to pay for trips, nursery fees, school lunches etc
- Through further integration and centralisation of photocopier contracts across the Trust, resulting in a 28% reduction in leasing costs, and an average reduction in cost per copy of 10%.
- The Trust has replaced a number of staff PCs and laptops across the Trust, migrating staff away from older, slow, devices to modern devices, improving productivity and reducing support costs.

Financial Governance and Oversight

The Trust Board approves the annual budget and the Board receives and approves the annual accounts and the external auditors management report.

Benchmarking

The Trust benchmarks its costs against similar MATs to help check for reasonableness

Economies of Scale

Where possible the Trust takes a collaborative approach to procurement to reduce administrative and procurement costs e.g. through in-house catering providing for our First schools/nurseries and large scale purchase of IT equipment e.g. Chromebooks.

GOVERNANCE STATEMENT (CONTINUED)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Somerset Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust 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 Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Education Finance Team of Somerset County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- General operations
- Purchasing
- Payroll
- Income

The internal auditor reports to the Board of Trustees through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor delivered their work in 2019/20 as planned.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on
their behalf by:

and signed on

S Brown
Chair of Trustees

P Rushford
Accounting Officer

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of West Somerset Academies Trust I have considered my responsibility to notify the Academy Trust 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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

P Rushforth
Accounting Officer
Date:

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

S Brown
Chair of Trustees

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST SOMERSET ACADEMIES TRUST

OPINION

We have audited the financial statements of West Somerset Academies Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST SOMERSET ACADEMIES TRUST (CONTINUED)

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST
SOMERSET ACADEMIES TRUST (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST
SOMERSET ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Somerset Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to West Somerset Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to West Somerset Academies Trust 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 West Somerset Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WEST SOMERSET ACADEMIES TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of West Somerset Academies Trust's funding agreement with the Secretary of State for Education dated 1 June 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST
SOMERSET ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	13,130	128,919	1,256,565	1,398,614	1,318,262
Charitable activities	4	963,461	9,233,096	-	10,196,557	9,444,634
Other trading activities		2,762	-	-	2,762	7,759
Investments	7	624	-	-	624	740
TOTAL INCOME		979,977	9,362,015	1,256,565	11,598,557	10,771,395
EXPENDITURE ON:						
Charitable activities:						
Grants		-	691,484	-	691,484	31,370
Other charitable activities		1,374,098	9,717,548	379,080	11,470,726	10,765,499
TOTAL EXPENDITURE		1,374,098	10,409,032	379,080	12,162,210	10,796,869
NET (EXPENDITURE)/INCOME		(394,121)	(1,047,017)	877,485	(563,653)	(25,474)
Transfers between funds	20	-	525,177	(525,177)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(394,121)	(521,840)	352,308	(563,653)	(25,474)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	26	(3,339,000)	(440,000)	-	(3,779,000)	(837,000)
NET MOVEMENT IN FUNDS		(3,733,121)	(961,840)	352,308	(4,342,653)	(862,474)

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	674,152	(6,329,900)	13,106,053	7,450,305	8,312,779
Net movement in funds	(3,733,121)	(961,840)	352,308	(4,342,653)	(862,474)
TOTAL FUNDS CARRIED FORWARD	<u>(3,058,969)</u>	<u>(7,291,740)</u>	<u>13,458,361</u>	<u>3,107,652</u>	<u>7,450,305</u>

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

The notes on pages 30 to 60 form part of these financial statements.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07630164**

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	16	12,479,155	12,264,619
		<u>12,479,155</u>	<u>12,264,619</u>
CURRENT ASSETS			
Stocks	17	4,973	4,973
Debtors	18	2,194,326	1,177,610
Cash at bank and in hand		322,611	1,088,353
		<u>2,521,910</u>	<u>2,270,936</u>
Creditors: amounts falling due within one year	19	(919,413)	(573,250)
		<u>1,602,497</u>	1,697,686
NET CURRENT ASSETS		1,602,497	1,697,686
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,081,652</u>	<u>13,962,305</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>14,081,652</u>	<u>13,962,305</u>
Defined benefit pension scheme liability	26	(10,974,000)	(6,512,000)
TOTAL NET ASSETS		<u><u>3,107,652</u></u>	<u><u>7,450,305</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	20	13,458,361	13,106,053
Restricted income funds	20	343,260	182,100
		<u>13,801,621</u>	<u>13,288,153</u>
Restricted funds excluding pension asset	20	13,801,621	13,288,153
Pension reserve	20	(10,974,000)	(6,512,000)
		<u>2,827,621</u>	<u>6,776,153</u>
Total restricted funds	20	2,827,621	6,776,153
Unrestricted income funds	20	280,031	674,152
		<u>3,107,652</u>	<u>7,450,305</u>
TOTAL FUNDS		<u><u>3,107,652</u></u>	<u><u>7,450,305</u></u>

The financial statements on pages 26 to 60 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

S Brown
Chair of Trustees

The notes on pages 30 to 60 form part of these financial statements.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	22	(195,700)	(81,426)
CASH FLOWS FROM INVESTING ACTIVITIES	23	(570,042)	259,921
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(765,742)	178,495
Cash and cash equivalents at the beginning of the year		1,088,353	909,858
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	322,611	1,088,353

The notes on pages 30 to 60 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

West Somerset Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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 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.

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

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

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

• **Charitable activities**

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

1.5 TANGIBLE FIXED ASSETS

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

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

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Freehold property	- 50 years
Long-term leasehold property	- 125 years (land) 50 years (buildings)
Furniture and equipment	- 10 years
Plant and machinery	-
Computer equipment	- 4 years
Motor vehicles	- 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of buildings.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES

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

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

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

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.

1.11 TAXATION

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

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

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

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

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

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

1.13 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

1.14 OPERATING LEASES

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	13,130	103,780	-	116,910	118,683
Capital Grants	-	25,139	1,256,565	1,281,704	1,199,579
	<u>13,130</u>	<u>128,919</u>	<u>1,256,565</u>	<u>1,398,614</u>	<u>1,318,262</u>
TOTAL 2019	<u>14,903</u>	<u>166,550</u>	<u>1,136,809</u>	<u>1,318,262</u>	

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	386,423	9,233,096	9,619,519	8,871,728
Nursery	577,038	-	577,038	572,906
TOTAL 2020	<u>963,461</u>	<u>9,233,096</u>	<u>10,196,557</u>	<u>9,444,634</u>
TOTAL 2019	<u>1,182,750</u>	<u>8,261,884</u>	<u>9,444,634</u>	

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DFE/ESFA GRANTS				
General Annual Grant	-	6,913,554	6,913,554	6,622,458
Other DfE/ESFA grants	482	1,834,494	1,834,976	962,829
	<u>482</u>	<u>8,748,048</u>	<u>8,748,530</u>	<u>7,585,287</u>
OTHER GOVERNMENT GRANTS				
Other government grants: capital	-	331,152	331,152	553,586
High Needs	-	115,325	115,325	123,011
	<u>-</u>	<u>446,477</u>	<u>446,477</u>	<u>676,597</u>
EXCEPTIONAL GOVERNMENT FUNDING				
Coronavirus exceptional support	-	38,571	38,571	-
	<u>-</u>	<u>38,571</u>	<u>38,571</u>	<u>-</u>
OTHER				
Internal catering income	174,586	-	174,586	247,048
Sales to students	66,432	-	66,432	137,007
Trip income	144,923	-	144,923	225,789
	<u>385,941</u>	<u>-</u>	<u>385,941</u>	<u>609,844</u>
TOTAL 2020	<u><u>386,423</u></u>	<u><u>9,233,096</u></u>	<u><u>9,619,519</u></u>	<u><u>8,871,728</u></u>
TOTAL 2019	<u><u>609,844</u></u>	<u><u>8,261,884</u></u>	<u><u>8,871,728</u></u>	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Exceptional government funding".

The funding received for coronavirus exceptional support covers £19,500 of PPE, cleaning consumables, screens and thermometer costs. These costs are included in notes 7 and 9 below as appropriate.

The Academy furloughed its nursery staff under the government's CJRS. The funding received of £19,071 relates to staff costs in respect of 13 staff which are included within note 10 below as appropriate.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

6. OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	2,762	2,762	7,759
TOTAL 2019	<u>2,762</u>	<u>2,762</u>	<u>7,759</u>

All prior year amounts relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	624	624	740
TOTAL 2019	<u>740</u>	<u>740</u>	

All prior year amounts relate to unrestricted funds.

8. ANALYSIS OF GRANTS

	Grants to Institutions 2020 £	Total funds 2020 £	Total funds 2019 £
Improvement to diocesan property occupied by the Academy Trust	691,484	691,484	31,370
TOTAL 2019	<u>31,370</u>	<u>31,370</u>	

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

9. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Education:					
Direct costs	10,426,433	171,115	(2,273,426)	8,324,122	7,911,510
Allocated support costs	1,283,165	546,094	670,950	2,500,209	2,278,170
Nursery:					
Direct costs	502,600	3,276	90,138	596,014	520,038
Allocated support costs	34,351	624	15,406	50,381	55,781
TOTAL 2020	<u>12,246,549</u>	<u>721,109</u>	<u>(1,496,932)</u>	<u>11,470,726</u>	<u>10,765,499</u>
TOTAL 2019	<u>8,116,129</u>	<u>738,070</u>	<u>1,911,300</u>	<u>10,765,499</u>	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	8,324,122	691,484	2,500,209	11,515,815	10,221,050
Nursery	596,014	-	50,381	646,395	575,819
TOTAL 2020	<u>8,920,136</u>	<u>691,484</u>	<u>2,550,590</u>	<u>12,162,210</u>	<u>10,796,869</u>
TOTAL 2019	<u>8,431,548</u>	<u>31,370</u>	<u>2,333,951</u>	<u>10,796,869</u>	

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension income	118,000	-	118,000	133,000
Staff costs	6,924,685	557,326	7,482,011	6,773,651
Depreciation	318,428	3,276	321,704	336,497
Educational supplies	361,182	10,317	371,499	545,680
Staff development	156,573	806	157,379	121,338
Other costs	160,010	51	160,061	227,108
Supply teachers	108,022	-	108,022	107,040
Cleaning	-	19,500	19,500	-
Technology costs	177,222	4,738	181,960	187,234
TOTAL 2020	8,324,122	596,014	8,920,136	8,431,548
TOTAL 2019	7,911,510	520,038	8,431,548	

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,287,995	29,521	1,317,516	1,235,438
Depreciation	60,652	4,798	65,450	63,315
Recruitment and support	3,002	202	3,204	6,942
Maintenance of premises and equipment	260,774	9,905	270,679	198,621
Cleaning	18,101	(13,930)	4,171	21,200
Rent and rates	153,433	1,076	154,509	174,363
Energy costs	119,609	6,561	126,170	115,720
Insurance	34,027	-	34,027	37,284
Security and transport	13,103	274	13,377	20,004
Catering	333,342	7,152	340,494	303,960
Technology costs	2,418	-	2,418	6,075
Office overheads	89,623	3,037	92,660	68,673
Legal and professional	115,147	1,785	116,932	81,550
(Profit) / Loss on disposal of fixed assets	-	-	-	(9,966)
Governance	8,983	-	8,983	10,772
TOTAL 2020	<u>2,500,209</u>	<u>50,381</u>	<u>2,550,590</u>	<u>2,333,951</u>
TOTAL 2019	<u>2,278,170</u>	<u>55,781</u>	<u>2,333,951</u>	

11. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	46,215	25,755
Depreciation of tangible fixed assets	387,154	399,812
Fees paid to auditors for:		
- audit	8,795	8,625
- other services	1,675	2,275
	<u>8,795</u>	<u>8,625</u>
	<u>1,675</u>	<u>2,275</u>

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

12. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	6,327,615	5,983,736
Social security costs	494,555	499,381
Pension costs	1,910,362	1,449,376
	8,732,532	7,932,493
Agency staff costs	108,022	107,040
Staff restructuring costs	66,995	76,596
	8,907,549	8,116,129

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	54,303	25,227
Severance payments	12,691	51,369
	66,994	76,596

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,691 (2019: £51,369). Individually the payments were £1,128, £348, £4,984, £989, £1,250, £76 and £3,917.

c. STAFF NUMBERS

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

	2020	2019
	No.	No.
Teachers	84	81
Administration and Support	214	221
Management	7	9
	305	311

12. STAFF (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	78	72
Administration and Support	141	168
Management	6	8
	225	248

d. HIGHER PAID STAFF

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust 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 Trust was £254,280 (2019 £232,559). Most of the increase in the cost of KMP this year was as a result of increased employer pension contribution rates.

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 13 has not been included in the total benefits received by Key Management Personnel above.

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: P Rushforth: Remuneration £125,000 - £130,000 (2019: £115,000 - £120,000), Employer's pension contributions £20,000 - £30,000 (2019: £15,000 - £20,000).

Other related party transactions involving the Trustees are set out in note 30.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

13. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

During the year ended 31 August 2020, expenses totalling £89 were reimbursed or paid directly to 1 Trustee (2019 - £143 to 2 Trustees).

14. TRUSTEES' AND OFFICERS' INSURANCE

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

15. CENTRAL SERVICES

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

- Strategic leadership
- School improvement services
- Financial services
- Legal services
- Health & safety services
- Premises management
- Human resources
- Insurance

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

The actual salary costs who provide the above services are recharged based on the pupil numbers in each school.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Minehead Middle School	226,752	227,463
Minehead First School	132,228	122,411
St Michael's Church of England First School	59,424	55,616
Danesfield Church of England School	126,828	117,411
Old Cleeve CofE School	49,452	55,616
St Peter's Church of England First School	52,848	49,436
TOTAL	647,532	627,953

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

16. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2019	195,000	12,744,462	603,505	898,668	47,328	14,488,963
Additions	-	483,472	47,778	70,440	-	601,690
At 31 August 2020	<u>195,000</u>	<u>13,227,934</u>	<u>651,283</u>	<u>969,108</u>	<u>47,328</u>	<u>15,090,653</u>
DEPRECIATION						
At 1 September 2019	11,700	1,221,424	293,851	671,607	25,762	2,224,344
Charge for the year	3,900	203,708	59,494	115,647	4,405	387,154
At 31 August 2020	<u>15,600</u>	<u>1,425,132</u>	<u>353,345</u>	<u>787,254</u>	<u>30,167</u>	<u>2,611,498</u>
NET BOOK VALUE						
At 31 August 2020	<u>179,400</u>	<u>11,802,802</u>	<u>297,938</u>	<u>181,854</u>	<u>17,161</u>	<u>12,479,155</u>
At 31 August 2019	<u>183,300</u>	<u>11,523,038</u>	<u>309,654</u>	<u>227,061</u>	<u>21,566</u>	<u>12,264,619</u>

17. STOCKS

	2020 £	2019 £
Finished goods and goods for resale	<u>4,973</u>	<u>4,973</u>

18. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	32,881	17,433
Other debtors	10,025	10,005
Prepayments and accrued income	2,134,463	1,068,724
VAT recoverable	16,957	81,448
	<u>2,194,326</u>	<u>1,177,610</u>

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	66,260	58,076
Other taxation and social security	186,543	119,644
Other creditors	174,010	133,465
Accruals and deferred income	492,600	262,065
	<u>919,413</u>	<u>573,250</u>
	<u>919,413</u>	<u>573,250</u>
	2020	2019
	£	£
Deferred income at 1 September 2019	133,599	76,379
Resources deferred during the year	106,973	133,959
Amounts released from previous periods	(133,599)	(76,739)
	<u>106,973</u>	<u>133,599</u>
	<u>106,973</u>	<u>133,599</u>

At the balance sheet date, the Academy Trust held funds received in advance for school trips and universal infant free school meals.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

20. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated fixed asset fund	236,209	-	(8,074)	20,989	-	249,124
GENERAL FUNDS						
Unrestricted funds	437,943	979,977	(1,366,024)	(20,989)	-	30,907
TOTAL UNRESTRICTED FUNDS	674,152	979,977	(1,374,098)	-	-	280,031
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	6,913,554	(6,622,427)	(140,546)	-	150,581
High needs funding	-	115,325	(115,325)	-	-	-
Pupil premium	62,457	523,629	(529,583)	-	-	56,503
Devolved formula capital	67,278	25,139	(2,750)	(23,011)	-	66,656
UIFSM	-	110,945	(110,945)	-	-	-
Other DfE/ESFA	52,365	758,837	(811,202)	-	-	-
Other restricted funds	-	810,806	(741,286)	-	-	69,520
Diocesan property rental	-	103,780	(103,780)	-	-	-
Capital Improvement Fund	-	-	(688,734)	688,734	-	-
Pension reserve	(6,512,000)	-	(683,000)	-	(3,779,000)	(10,974,000)
	(6,329,900)	9,362,015	(10,409,032)	525,177	(3,779,000)	(10,630,740)
RESTRICTED FIXED ASSET FUNDS						

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019		Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2020
	£	£	£	£	£	£	£
Fixed assets transferred on conversion	11,069,014		-	(233,658)	-	-	10,835,356
Fixed assets purchased from GAG and other restricted funds	829,444		-	(128,437)	140,546	-	841,553
DfE/ESFA Capital grants	114,398	19,774	(16,335)	23,011	-	-	140,848
Capital donations	15,184	11,250	(650)	-	-	-	25,784
Capital Improvement Fund	1,078,013	1,225,541	-	(688,734)	-	-	1,614,820
	<u>13,106,053</u>	<u>1,256,565</u>	<u>(379,080)</u>	<u>(525,177)</u>	<u>-</u>	<u>-</u>	<u>13,458,361</u>
TOTAL RESTRICTED FUNDS	<u>6,776,153</u>	<u>10,618,580</u>	<u>(10,788,112)</u>	<u>-</u>	<u>(3,779,000)</u>	<u>-</u>	<u>2,827,621</u>
TOTAL FUNDS	<u><u>7,450,305</u></u>	<u><u>11,598,557</u></u>	<u><u>(12,162,210)</u></u>	<u><u>-</u></u>	<u><u>(3,779,000)</u></u>	<u><u>-</u></u>	<u><u>3,107,652</u></u>

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

DESIGNATED FUNDS

Designated fixed asset fund - This fund represents the net book value of fixed assets, purchased using unrestricted funds, which are used in one of the nurseries.

RESTRICTED FUNDS

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

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

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

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and repair of the Academy Trust's assets.

UIFSM - This represents funding received to provide free school meals to all children in reception, year 1 and year 2.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

20. STATEMENT OF FUNDS (CONTINUED)

Other DfE/ESFA - This represents other income received from the DfE/ESFA. In particular, this includes the rates grant, year 7 catch up and the PE grant.

Other restricted income - This funding represents other income that has been received with specific restrictions on its expenditure.

Diocesan property rental - The Academy Trust's occupation of the property owned by the Diocese of Bath and Wells for the period is recognisable as a notional donation and a notional rental expense.

Condition improvement fund - this represents capital grants that have been spent on the diocese owned property.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

Capital Grants - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Danesfield Church of England School	(227,846)	(196,482)
Minehead First School	(154,653)	(9,628)
Minehead Middle School	1,195,785	1,085,049
Old Cleeve CofE School	(169,580)	(75,415)
St Michael's Church of England First School	127,994	133,952
St Peter's Church of England First School	(148,409)	(19,912)
Central	-	(61,312)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	623,291	856,252
Restricted fixed asset fund	13,458,361	13,106,053
Pension reserve	(10,974,000)	(6,512,000)
	<hr/>	<hr/>
TOTAL	3,107,652	7,450,305
	<hr/> <hr/>	<hr/> <hr/>

20. STATEMENT OF FUNDS (CONTINUED)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Danesfield Church of England School	(227,846)
Minehead First School	(154,653)
Old Cleeve CofE School	(169,580)
St Peter's Church of England First School	(148,409)

The Academy Trust is taking the following action to return the academies to surplus:

Danesfield Middle School: progress is being made to reduce this deficit, staffing costs have been reduced and efficiencies savings are being made in non-staffing areas. The Trust is confident that the school will achieve a Good judgement when it is next inspected. When this happens, shared leadership will be introduced (Danesfield Middle and St Peter's First will share a Headteacher) thereby further reducing costs.

Minehead First School: the overspend is due mainly to significant additional resource being targeted to the school due to an Inadequate Ofsted judgment. The additional funding has been utilised effectively; the Trust is confident that the school will be judged Good at the next Inspection. Staffing reductions were implemented at the end of August 2020; which will lead to a reduction in ongoing staffing costs in 2020/21. The Trust 5-year plan is forecasting that Minehead First School budget will be in balance at the end of 2020/21.

Old Cleeve First School: trustees recognise the difficulties that this small first school faces to achieve a balanced budget. Plans are in place to significantly reduce costs from 2021/21 ongoing i.e. the Headteacher will be shared with another school (St Michaels First School), and the school will reduce from a five class to a four-class structure. Staff restructuring is also being introduced to reduce Early Years staffing costs.

St Peter's First School: High staffing costs in 2019/20 have had a significant detrimental impact on the budget. The school has borne the cost of employing Teach First trainees; for future traineeships the Trust will spread these costs more equitably across schools. When Danesfield Middle School achieves a Good Ofsted judgement shared leadership will be introduced (Danesfield Middle and St Peter's First will share a Headteacher) thereby further reducing costs.

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

20. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Danesfield Church of England School	1,299,047	211,195	56,251	386,147	1,952,640	1,818,668
Minehead First School	1,176,232	211,777	79,306	259,468	1,726,783	1,766,637
Minehead Middle School	2,296,709	276,826	84,413	516,793	3,174,741	3,102,173
Old Cleeve CofE School	577,722	74,724	26,688	111,368	790,502	741,652
St Michael's Church of England First School	510,102	55,963	43,224	159,853	769,142	762,324
St Peter's Church of England First School	769,532	65,662	59,440	178,168	1,072,802	918,283
Central	303,451	405,585	22,177	132,273	863,486	737,320
ACADEMY TRUST	6,932,795	1,301,732	371,499	1,744,070	10,350,096	9,847,057

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated fixed asset fund	207,669	-	(7,654)	36,194	-	236,209
GENERAL FUNDS						
Unrestricted funds	906,588	1,206,152	(1,638,603)	(36,194)	-	437,943
TOTAL UNRESTRICTED FUNDS	1,114,257	1,206,152	(1,646,257)	-	-	674,152
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	47,798	6,622,458	(6,519,268)	(150,988)	-	-
High needs funding	-	123,011	(123,011)	-	-	-
Pupil premium	37,584	546,749	(521,876)	-	-	62,457
Devolved formula capital	10,193	61,770	(24,160)	19,475	-	67,278
UIFSM	-	127,228	(127,228)	-	-	-
Other DfE/ESFA	6,238	288,852	(242,725)	-	-	52,365
Other restricted funds	-	554,586	(546,406)	(8,180)	-	-
Diocesan property rental	-	103,780	(103,780)	-	-	-
Pension reserve	(5,125,000)	-	(550,000)	-	(837,000)	(6,512,000)
	(5,023,187)	8,428,434	(8,758,454)	(139,693)	(837,000)	(6,329,900)
RESTRICTED FIXED ASSET FUNDS						

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Fixed assets transferred on conversion	11,302,040	-	(233,026)	-	-	11,069,014
Fixed assets purchased from GAG and other restricted funds	816,668	-	(141,396)	154,172	-	829,444
DfE/ESFA Capital grants	95,347	58,796	(17,086)	(22,659)	-	114,398
Capital donations	7,654	-	(650)	8,180	-	15,184
Capital Improvement Fund	-	1,078,013	-	-	-	1,078,013
	<u>12,221,709</u>	<u>1,136,809</u>	<u>(392,158)</u>	<u>139,693</u>	<u>-</u>	<u>13,106,053</u>
TOTAL RESTRICTED FUNDS	<u>7,198,522</u>	<u>9,565,243</u>	<u>(9,150,612)</u>	<u>-</u>	<u>(837,000)</u>	<u>6,776,153</u>
TOTAL FUNDS	<u><u>8,312,779</u></u>	<u><u>10,771,395</u></u>	<u><u>(10,796,869)</u></u>	<u><u>-</u></u>	<u><u>(837,000)</u></u>	<u><u>7,450,305</u></u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	249,124	-	12,230,031	12,479,155
Current assets	950,320	343,260	1,228,330	2,521,910
Creditors due within one year	(919,413)	-	-	(919,413)
Provisions for liabilities and charges	-	(10,974,000)	-	(10,974,000)
TOTAL	<u><u>280,031</u></u>	<u><u>(10,630,740)</u></u>	<u><u>13,458,361</u></u>	<u><u>3,107,652</u></u>

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	236,579	-	12,028,040	12,264,619
Current assets	437,573	755,350	1,078,013	2,270,936
Creditors due within one year	-	(573,250)	-	(573,250)
Provisions for liabilities and charges	-	(6,512,000)	-	(6,512,000)
TOTAL	<u>674,152</u>	<u>(6,329,900)</u>	<u>13,106,053</u>	<u>7,450,305</u>

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	<u>(563,653)</u>	<u>(25,474)</u>
ADJUSTMENTS FOR:		
Depreciation	387,154	399,812
Capital grants from DfE and other capital income	(1,256,565)	(1,199,579)
Interest received	(624)	(740)
Defined benefit pension scheme cost less contributions payable	565,000	417,000
Defined benefit pension scheme finance cost	118,000	133,000
Decrease in debtors	208,825	313,285
Increase/(decrease) in creditors	346,163	(108,764)
Profit / (Loss) on disposal	-	(9,966)
NET CASH USED IN OPERATING ACTIVITIES	<u>(195,700)</u>	<u>(81,426)</u>

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	624	740
Purchase of tangible fixed assets	(601,650)	(237,866)
Proceeds from the sale of tangible fixed assets	-	13,150
Capital grants from DfE Group	30,984	483,897
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(570,042)	259,921

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	322,611	1,088,353
TOTAL CASH AND CASH EQUIVALENTS	322,611	1,088,353

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,088,353	(765,742)	322,611
	1,088,353	(765,742)	322,611

26. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £171,048 were payable to the schemes at 31 August 2020 (2019 - £131,336) and are included within creditors.

26. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £723,551 (2019 - £498,951).

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

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

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

26. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £820,000 (2019 - £678,000), of which employer's contributions totalled £648,000 (2019 - £531,000) and employees' contributions totalled £ 172,000 (2019 - £147,000). The agreed contribution rates for future years are 23.7 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.80	3.75
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.25

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

	2020	2019
	Years	Years
<i>RETIRING TODAY</i>		
Males	23.3	22.9
Females	24.8	24.0
<i>RETIRING IN 20 YEARS</i>		
Males	24.7	24.6
Females	26.2	25.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(437)	(250)
Discount rate -0.1%	448	255
Mortality assumption - 1 year increase	685	448
Mortality assumption - 1 year decrease	(660)	(432)

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

26. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2020	At 31 August 2019
	£	£
Equities	5,125,000	4,083,000
Gilts and bonds	1,318,000	871,000
Property	539,000	468,000
Cash and other liquid assets	383,000	343,000
TOTAL MARKET VALUE OF ASSETS	7,365,000	5,765,000

The actual return on scheme assets was £199,000 (2019 - £370,000).

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

	2020	2019
	£	£
Current service cost	(1,213,000)	(948,000)
Interest income	109,000	131,000
Interest cost	(227,000)	(264,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,331,000)	(1,081,000)

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

	2020	2019
	£	£
AT 1 SEPTEMBER	12,277,000	9,926,000
Current service cost	1,213,000	948,000
Interest cost	227,000	264,000
Employee contributions	172,000	147,000
Actuarial losses/(gains)	4,684,000	1,072,000
Benefits paid	(234,000)	(80,000)
Past service costs	3,339,000	-
AT 31 AUGUST	21,678,000	12,277,000

**WEST SOMERSET ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

26. PENSION COMMITMENTS (CONTINUED)

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

	2020	2019
	£	£
AT 1 SEPTEMBER	5,765,000	4,801,000
Interest income	112,000	135,000
Actuarial gains	905,000	235,000
Employer contributions	648,000	531,000
Employee contributions	172,000	147,000
Benefits paid	(234,000)	(80,000)
Administration expenses	(3,000)	(4,000)
AT 31 AUGUST	7,365,000	5,765,000

27. OPERATING LEASE COMMITMENTS

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

	2020	2019
	£	£
Not later than 1 year	20,540	12,279
Later than 1 year and not later than 5 years	25,675	1,663
	46,215	13,942

28. MEMBERS' LIABILITY

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

29. GENERAL INFORMATION

West Somerset Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Minehead Middle School, Ponsford road, Minehead, Somerset, TA24 5RH.

30. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 13.

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