

Company Registration Number: 07814065 (England & Wales)

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 49

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Cardnell C Bailey-Green H Atkins K Kirkwood R Philips N Maxted (resigned 31 December 2018) S Willis (resigned 31 December 2019)
Trustees	Fr N Maxted (resigned 31 December 2018) ¹ Rev G Owen (appointed 13 November 2018) ¹ E Denne (appointed 12 February 2019) ² J Gamble (appointed 12 February 2019) ² R Phillips ¹ C Cardnell ^{1,2} C Bailey-Green, Chair ^{1,2} K Kirkwood, Vice Chair ² J Hopegood, Headteacher ^{1,2} M Bailey ² A Rowe (resigned 31 December 2018) ² H Atkins ¹ J Puttock ¹ P Brook (resigned 31 December 2018) ² J Francis-Castle (resigned 2 May 2019) ² K Preston (appointed 28 February 2019)
	¹ Resources Committee ² Teaching & Learning Committee

Company registered number 07814065

Company name Selwood Academy

Principal and Registered office Berkley Road
Frome
Somerset
BA11 2EF

Company secretary E Hardy

Accounting Officer J Hopegood

Senior Leadership Team
J Hopegood, Headteacher
A Broad, Deputy Headteacher
A Ellett, Assistant Headteacher
L Steward, Assistant Headteacher
M Singer, Business Manager

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

Bankers	Lloyds Bank plc 37 Market Place Warminster Wiltshire BA12 9BD
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

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

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

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

The Trust operates an academy for pupils aged 9 to 13 in Frome, Somerset. It has a pupil capacity of 704 and had a roll of 635 in the school census on 16 May 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 Selwood Academy are also the directors of the charitable company for the purposes of company law.

Selwood Academy has two levels of Governance consisting of members on one level and directors on another. This is referred to as a "two tier structure". The directors are also Trustees and Trustees: accordingly, these names are interchangeable.

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.

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 £5,000,000.

MEMBERS AND TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following 8 Members as set out in its Articles of Association and Funding Agreement:

- the Chair of Trustees
- up to 1 Anglican Foundation Trustee
- up to 1 Methodist Foundation Trustee
- up to 5 other appointed Members

The Foundation Trustee representation on the Academy Trust shall not exceed 2 Members. Non-designated Members will be appointed by the remaining Members as vacancies occur.

The Trust Board shall have the following 16 Trustees as set out in its Articles of Association and Funding Agreement:

- up to 1 Anglican Minister Trustee (Ex-Officio) who is appointed by the Diocese of Bath & Wells
- up to 1 Anglican Foundation Trustee who is appointed by the Diocese of Bath & Wells.
- up to 1 Methodist Minister Trustee (Ex-Officio) who is appointed by the Methodist Circuit

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

- up to 1 Methodist Trustee Foundation who is appointed by the Methodist Circuit.
- up to 5 Parent Trustees who are elected by parents and/or carers of registered pupils at the Academy.
- up to 2 staff Trustees elected by members of staff at the Academy.
- up to 4 Community Trustees who are appointed by the Members.
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

Members and Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher or Ex-Officio Trustees. 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's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has a Trustee Recruitment and Induction process. The Clerk to Trustees organised and booked training of the Trust Board. The Skills and Knowledge Review was an ongoing exercise throughout the year. This enabled the Trust Board to identify any skill shortages to aid recruitment of new Trustees. The Clerk to Trustees regularly attended Clerks' Briefings where appropriate provided by Somerset County Council and the Clerks' Forum held by the Diocese of Bath and Wells. The Chair of Trustees, or his representative, attended Area Chair's meetings, provided by Somerset County Council and also attended Heads and Chairs Briefings provided by the Diocese of Bath and Wells.

The training and induction provided for new Trustees will depend upon their existing experience but would always include meeting with the Chair, Clerk to Trustees and Headteacher followed by a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided electronically with copies of policies, procedures, minutes and the necessary information for the accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and Members. As there are normally only 2 or 3 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.

Organisational Structure

The Board of Members meets once a year for an Annual General Meeting.

The Board of Trustees (Trustees) normally meets a minimum of once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. During this year the discussions regarding the forming of the Frome Trust culminated in a decision by the Regional Schools Commissioner that the proposed structure was not acceptable. Discussions continue with other Academies and Schools within the Frome Learning Partnership regarding joining an established Multi Academy Trust.

There are 2 committees as follows:

- Resources Committee (including Personnel & Premises) - this meets at least four 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 reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. It also monitors, evaluates and reviews Academy Trust's policy on staffing, appraisal and personnel issues.
- Teaching & Learning Committee - this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, data analysis, target setting and assessment, examinations and all pastoral issues.

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

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

Safeguarding and SEND aspects are reviewed by the Teaching & Learning Committee and are included in the Head's Report for Trust Board meetings.

Panels

Admissions Panel - this meets as required to deal with all matters relating to admissions. Other specialist panels meet as required.

The following decisions are reserved to the Board of Members: to consider any proposals for changes to the status or constitution of the Academy Trust.

The following decisions are delegated to the Board of Trustees; to consider its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

The Members and Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, two Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy Trust has a leadership structure which consists of the Trustees, The Senior Leadership Team, Faculty/Pastoral Heads and Middle Managers. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Business Manager and Resources Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust Board will appoint the members of the Pay Committee who will recommend to the Trust Board the annual budget for pay. When a new appointment is made to the Senior Leadership Team the Trust Board will determine the pay range to be advertised and agree pay on appointment within the parameters defined in the Pay Policy.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with the 17 local schools which form the Frome Learning Partnership (FLP).

There are no related parties which either control or significantly influence the decisions and operations of Selwood Academy. There are no sponsors. 2 Members are members of Frome Lions Club.

Selwood Parent Teacher Association (PTA) is a formal PTA, which is associated with Selwood Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance, for the public benefit, education in Frome and the surrounding area, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

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

The principal object and activity of the Charitable Company is the operation of Selwood Academy to provide free education and care for pupils of different abilities between the ages of 9 and 13.

The aims of the Academy Trust during the year ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad, balanced and personalised curriculum, including extra-curricular activities;
- to develop pupils as more effective learners;
- to develop the Academy Trust site so that it enables pupils to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to work with the FLP schools to further develop continuity and progression across the curriculum, particularly in literacy and numeracy standards;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with the community including the two foundation churches;
- to fully develop the Vision & Values;
- to develop the Academy Trust's capacity to manage change;
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

At Selwood Academy 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 Academy Trust is a community in which children, staff, Trustees and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office. Improvement foci identified for this year include:

- Raising standards in teaching and learning
- Improve outcomes and progress for SEND and Disadvantaged pupils
- Maximise impact of assessment & feedback
- Ensure that staff systematically monitor progress of pupils to quickly challenge and respond to underachievement
- Engage in two-year Achievement for All programme of intervention to improve pupil outcomes
- Greater scrutiny of behaviour data to evaluate impact on learning
- Improve and develop capacity to support SEMH and wellbeing of the whole school community
- Develop a deeper understanding of the Church of England Vision for Education
- Focus on the learning environment as a strategy for engaging and promoting learning

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 provides facilities for recreational and other leisure time occupation for the community at large including the use of 3G Pitch in the interests of social welfare and with the interest of improving the life of the said community.

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

STRATEGIC REPORT

Achievements and Performance

The Academy is in its seventh year of operation. The total number of students in the year ended 31 August 2019 was 630, this has increased to 644 in October 2019.

Key Performance Indicators

It is important to note that under the Ofsted framework Middle schools are now judged in terms of progress and attainment on four years of data. The Academy undertakes external GL tests to show performance over time

The tables below demonstrate that for the last two years, pupils Standard Age Score is better than the national average in English and Maths.

Maths 2018:

Description	Very low	Below average			Average		Above average		Very high
SAS bands	<74	74-81	82-88	89-96	97-103	104-111	112-118	119-126	>126
National average	4%	7%	12%	17%	20%	17%	12%	7%	4%
All students	1%	7%	12%	13%	18%	12%	17%	11%	9%

English 2018:

Description	Very low	Below average			Average		Above average		Very high
SAS bands	<74	74-81	82-88	89-96	97-103	104-111	112-118	119-126	>126
National average	4%	7%	12%	17%	20%	17%	12%	7%	4%
All students	3%	5%	8%	12%	19%	25%	16%	7%	6%

Maths 2019:

Description	Very low	Below average			Average		Above average		Very high
SAS bands	<74	74-81	82-88	89-96	97-103	104-111	112-118	119-126	>126
National average	4%	7%	12%	17%	20%	17%	12%	7%	4%
All students	3%	12%	9%	11%	17%	18%	13%	8%	9%

English 2019:

Description	Very low	Below average			Average		Above average		Very high
SAS bands	<74	74-81	82-88	89-96	97-103	104-111	112-118	119-126	>126
National average	4%	7%	12%	17%	20%	17%	12%	7%	4%
All students	5%	3%	10%	17%	15%	16%	14%	12%	9%

Keys stage 2 performance data 2019

- Reading National Standard + (NS+) 59%
- Writing NS + 73 %
- Maths NS + 58 %
- GPS NS + 57%
- Rd/Wr/Ma NS + 49 %

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

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations and work scrutiny which are undertaken by the Faculty Heads, Trustees and the SLT. The Pixl programme has also ensured a careful, regular monitoring of progress. It is important to note that the Academy had some key staff long term absences that impacted on year 6 results this year but progress over time was above national average.

The Academy was inspected by SIAMS in May 2019 and was judged excellent in all aspects of provision. The report states: *"The strength of commitment to the vision shapes the strategic and operational direction of the school. Its impact is immediately evident to visitors in pupils' exemplary behaviour and the quality of relationships."*

The Academy was inspected by OFSTED in May 2017 and was judged to be Good in all areas. To become an outstanding School requires everyone to have access to the most up-to-date training to maximise potential and performance. The Academy Trust is committed to investing in the professional development of all staff. Together with teachers striving to become outstanding practitioners, the majority of Teaching Assistants and Support Staff have gained vocational qualifications up to level 3 and HTLA's have led staff development CPD opportunities in their specialist areas. The Trustees also supported the Deputy Head to undertake the NPQH qualification, school training for PGCE students and work experience placements. Three teachers completed an RQT course through Taunton Teaching Alliance.

The Academy works closely with the other eight Middle Schools in Somerset and the Frome Learning Partnership to ensure that rigorous monitoring of standards in teaching and learning are maintained. Reports are completed and shared with Trustees. Mrs Pam Blackmore visits the Academy termly to report to the Methodist circuit and Mr Peter Elmy is employed to complete SEP work and the Head Teachers Performance Management.

During the year, the Academy's charity fundraising activities (including Selwood PTA) included MacMillan Coffee Mornings, a Harvest Festival with all the food donated being sent to the Fair Frome Food Bank, BBC children in need, donating "acts of Kindness " to sponsor Nahla's walk across Britain , A sponsored walk to support "WHY" and the Lions Charity Swim.

It has been another exceptionally full and enriching year at Selwood Academy; here are some highlights of the year:

- Anti-bullying Ambassadors continue to promote a zero tolerance for bullying at Selwood Academy, pupils attended a joint schools anti bullying rally in Frome town centre supported by the Town council.
- Selwood Academy continues to host authors throughout the year and pupils in both Key stages attended the Bath literature festival events.
- Selwood pupils once again won their way through to the semi-final of Regional Rotary Public Speaking competition.
- A wealth of school trips continues to support the children's learning and development were organised. This started in Year 5 with the Mendip Adventure trip where the pupils learn outdoor skills and take time to develop new friendships to aid the transition to Selwood. Year Six children went on a 3-day residential, camping and taking part in a range of outdoor and adventurous activities that were designed as a team-building and personal development experience. A group of Year 7 pupils visited the Nettlecombe Field Study Centre for a weeklong ecology residential course. Whilst there, the pupils were able to investigate four main ecological habitats and the organisms that were found in each and the struggles they faced to survive in them.
- The Academy's very first, very successful Ski trip to Andalo took place in February 2019, which involved 44 KS3 pupils. This trip is planned to take place on a two yearly basis to allow financial planning for parents and equality of opportunity for all.
- Links continue with Frome Community Hospital displaying the pupil's artwork as a permanent fixture at the hospital.

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

- The Greenpower Team competed in the 2019 Greenpower International Final with the "Frome Flying Wagon". All of the children get a wonderful experience when competing in the racing, spending time in the pits and working as a team on a car that they have spent many months creating and fine-tuning at school.
- Extra Curriculum Music and Drama events continue to be a particular strength of the school. The annual production this year "High School Musical" spanned 4 days and was held in the local theatre. Selwood Choir performed as part of the Frome Christmas Extravaganza, opened the Carols by Candlelight in Baths prestigious pump rooms and the steel pan orchestra played live on BBC radio. The gifted and talented drama pupils took part in the annual Shakespeare festival and performed as part of the Frome festival an historical rendition about the life and time of Mr Singer and his foundation.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the year under review, £19,747 of restricted funds was carried forward representing 3.6% of GAG.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019 this was 103% compared to 108% in 2018.

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 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE 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 Academy's accounting policies.

During the year ended 31 August 2019, total expenditure of £ 3,259,554 was covered by recurrent grant funding from the DfE and brought forward reserves, together with other incoming resources of £ 3,121,703. The excess of expenditure over income for the year (excluding fixed asset funds, transfers and actuarial gains and losses) was £ 137,851.

At 31 August 2019 the net book value of fixed assets was £ 6,163,095 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance, CCTV, Administration of Medicines, Critical Incidents, Freedom of Information, GDPR, Anti Fraud and Corruption, Business Continuity, New Trustees Induction, Volunteers and Students, Whistleblowing, Complaints, Health and Safety, Investment Management, Off- site Activities.

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

Reserves Policy

The Trustees review the reserve levels of the Academy 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, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £135,000. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £ 4,337,535, of this £ 4,317,788 is invested in fixed assets or represents non GAG restricted funds. The remaining £ 19,747 representing unrestricted funds is the balance that the Members and Trustees monitor in accordance with the Board's reserves policy.

The Trustees approved the use of the reserves this year to support the construction of a state of the art 3G Pitch. These reserves created the potential for in year deficit moving forward in to Year 2019-2020. As advised by the auditors the Academy notified the ESFA of this potential for deficit. The Academy created a three-year recovery plan, which determines that the Academy will be able to set a balanced Budget for the next three years. This plan is currently with the ESFA.

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. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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 Headteacher and Business manager 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 Academy are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the EFA. In the last year 96% of the Academy Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees, ensure that success and achievement are closely monitored and reviewed. The most recent Ofsted & SIAMS Inspection has secured the ongoing strong reputation within the community.

Safeguarding (including e-safety) 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 safeguarding, e-safety and of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning with particular focus on key staffing areas identified in the risk register.

Fraud and mismanagement of funds - the Academy Trust has appointed a Responsible Officer to carry out internal checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy 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, reviewed, and updated on a regular basis.

The Academy Trust is aware that as a Middle School there are risks associated with the possibility of changing from a three-tier system to a two-tier system within the local area.

The Trustees have implemented a system to assess risks that the Academy Trust faces especially in the operational areas (e.g. In relation to safeguarding (including e-safety), teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust holds risk assessments, which are regularly reviewed and updated as necessary.

The Trustees examine the financial health formally every term. The Resources Committee reviews performance against budgets and overall expenditure by means of regular update. The Resources Committee also regularly reviews cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments. The Resources Committee Chair reports to the Full Trust Board any areas of concern.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the near future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

The Academy Trust will continue to work within the FLP, to improve the educational opportunities for students in the wider community and to explore potential opportunities for joining a Multi Academy trust.

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the Clerk to Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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

TRADE UNION FACILITY TIME

There are 3 members of staff who were relevant union officials during the period who spent between 1%-50% of their time on trade union duties. The total cost of facility time was £344 which amounts to 0.017% of the Trust's total pay bill.

Disclosure of information to auditors

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

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

Auditors

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them for 18-19 was proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 12/12/19 and signed on its behalf by:


C Bailey-Green
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
C Bailey-Green	4	4
R Phillips	4	4
H Atkins	3	4
C Cardnell	4	4
J Hopegood	4	4
K Kirkwood	4	4
M Bailey	4	4
J Francis	1	2
A Rowe	0	2
P Brook	2	2
G Owen	2	3
J Gamble	2	2
E Denne	2	2
L Puttock	1	1
K Preston	1	2

In the past year, we have seen a few Trustees depart and other join us. Following the retirement of Fr Maxted, we have recruited Rev Graham Owens as the ex-officio Anglican Foundation member. We have also been successful in recruiting, with the help of the Diocese, Mr D Hooten who will be joining us formally later in the autumn term of 2019/20 as the second Anglican Foundation Member. We are awaiting the appointment of the second Methodist Foundation trustee. We have successfully recruited two new Parent Trustees and one new Community Trustee in-year. We have also maintained our staff Trustees over the year.

Throughout the year a regular review of trustee's levels of training was undertaken, including assessments by individuals of their levels of knowledge and skills. This is complimented by regular training sessions for trustees prior to the start of Board meetings.

The Resources Committee is a sub-committee of the main board of Trustees. Its purpose is to ensure:

- effective and efficient management of the Academy finances, taking due regard to transparency and financial probity;
- that matters concerning personnel and pay issues within the academy are managed in an effective and efficient manner.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Bailey-Green	5	5
R Phillips	5	5
H Atkins	5	4
C Cardnell	5	5
J Hopegood	5	5
L Puttock	0	1
G Owen	3	4

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the 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:

Improving educational results:

- Use of Accelerated Reader/ school reading Dog and supported guided reading with reading mentors and trustees continues to encourage reading for all ages;
- Frome Learning Partnership and middle school partners joint drive to increase standards across all the Schools – key focus on Maths strategic plan
- The Academy received a £500 grant from SASH to secure an audit of Maths provision, which identified additional strategies for further improvements.
- Faculty development plans produced to identify Key strategies for improving standards.

Financial oversight and governance:

- Experienced Chair of Resources Committee;
- Regular financial reporting to Resource Committee, including adjusted annual forecast, ensures transparency;
- Academy engaged with SRMA and ESFA in order to further develop expertise in the current educational climate

Better purchasing:

- All contracts reviewed 3 months before renewal date to ensure efficiency and effectiveness;
- All services are re-tendered to ensure value for money & cost benefit;
- Explore all purchasing options for all orders of whatever size to ensure efficiency.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

Better income generation:

- Income streams regularly explored;
- CIF Bid submitted successfully for replacement of Hall flooring and Lighting and upgraded PE changing facilities. Further applications will be made in 2019-2020;
- Continue to work to maximise the use of facilities outside School Hours including 3G lettings. All previous organisations have continued to use the Selwood Grounds during the holiday time, some for an increased period, the 3G income is growing steadily over time;
- In summer 2019 a very generous donation was received anonymously to develop IT.

Reviewing controls and managing risks:

- Regular Responsible Officer reports to ensure internal control and compliance;
- Review of Risk Register at regular Resource Committee meetings;
- Professional HR advice procured and used where applicable.

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 Selwood Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Academy 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Responsible Officer (RO) via Somerset County Council.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a quarterly basis, the RO reports to the Resources Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The RO is also supported by the external auditors in this role.

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


REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 12/12/19 and signed on their behalf by:



C Bailey-Green
Chair of Trustees



J Hopegood
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Selwood Academy I have considered my responsibility to notify the Academy Trust board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

I confirm that the Academy Trust Board and I 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.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

During the year ended 31 August 2019, the Academy went overdrawn on its bank account twice without prior approval. The ESFA were notified of these events as soon as practicable once they had been identified.



J Hopegood
Accounting Officer

Date: 12/12/2019.

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

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

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

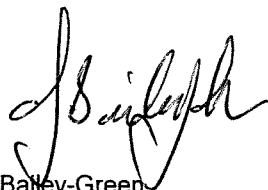
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



C Bailey-Green
Chair of Trustees

Date: 12/12/19

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SELWOOD ACADEMY**

OPINION

We have audited the financial statements of Selwood Academy (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SELWOOD ACADEMY (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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SELWOOD ACADEMY (CONTINUED)**

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.

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.



David Butler FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

19 December 2019

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

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

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Selwood Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF SELWOOD ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Selwood Academy's funding agreement with the Secretary of State for Education dated 1 December 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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 reports commissioned by the Trustees to assess the internal controls throughout the year.

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

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

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

CONCLUSION

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

As discussed in the Accounting Officer's statement on page 20, the Academy did not operate in full accordance with the Academies Financial Handbook 2018 and the terms of the ESFA Funding Agreement in the following area:

During the year ended 31 August 2019, the Academy's bank account was overdrawn twice without prior approval. The ESFA were notified of these events as soon as practicable once they had been identified.



David Butler FCA DChA (Reporting Accountant)

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: 19 December 2019

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	26,926	43,514	697,061	767,501	278,001
Charitable activities	5	130,117	2,882,014	-	3,012,131	2,770,605
Other trading activities	6	38,963	-	-	38,963	19,239
Investments	7	169	-	-	169	265
TOTAL INCOME		196,175	2,925,528	697,061	3,818,764	3,068,110
EXPENDITURE ON:						
Charitable activities	8	343,861	2,915,693	190,222	3,449,776	3,402,228
TOTAL EXPENDITURE		343,861	2,915,693	190,222	3,449,776	3,402,228
Transfers between funds	18	-	(183,551)	183,551	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(147,686)	(173,716)	690,390	368,988	(334,118)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	24	-	(287,000)	-	(287,000)	353,000
NET MOVEMENT IN FUNDS		(147,686)	(460,716)	690,390	81,988	18,882
RECONCILIATION OF FUNDS:						
Total funds brought forward		167,433	(1,575,984)	5,664,098	4,255,547	4,236,665
Net movement in funds		(147,686)	(460,716)	690,390	81,988	18,882
TOTAL FUNDS CARRIED FORWARD		19,747	(2,036,700)	6,354,488	4,337,535	4,255,547

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

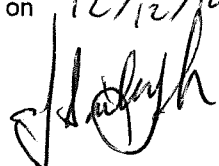
The notes on pages 27 to 49 form part of these financial statements.

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07814065

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	6,163,095	5,580,697
		<u>6,163,095</u>	<u>5,580,697</u>
CURRENT ASSETS			
Debtors	15	441,802	128,738
Cash at bank and in hand		13,514	417,133
		<u>455,316</u>	<u>545,871</u>
Creditors: amounts falling due within one year	16	(229,876)	(256,021)
		<u>225,440</u>	<u>289,850</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,388,535</u>	<u>5,870,547</u>
Defined benefit pension scheme liability	24	(2,051,000)	(1,615,000)
TOTAL NET ASSETS		<u><u>4,337,535</u></u>	<u><u>4,255,547</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	18	6,354,488	5,664,098
Restricted income funds	18	14,300	39,016
		<u>6,368,788</u>	<u>5,703,114</u>
Restricted funds excluding pension asset	18		
Pension reserve	18	(2,051,000)	(1,615,000)
		<u>4,317,788</u>	<u>4,088,114</u>
Total restricted funds	18		
Unrestricted income funds	18	19,747	167,433
		<u>4,337,535</u>	<u>4,255,547</u>
TOTAL FUNDS		<u><u>4,337,535</u></u>	<u><u>4,255,547</u></u>

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue on 12/12/19 and are signed on their behalf, by:



C Bailey-Green
Chair of Trustees



J Hopegood
Accounting Officer

The notes on pages 27 to 49 form part of these financial statements.

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	20	(358,229)	(99,326)
CASH FLOWS FROM INVESTING ACTIVITIES	21	(45,390)	73,034
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(403,619)	(26,292)
Cash and cash equivalents at the beginning of the year		417,133	443,425
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	13,514	417,133

The notes on pages 27 to 49 form part of these financial statements

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

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

1. GENERAL INFORMATION

Selwood Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is Berkley Road, Frome, Somerset, BA11 2EF.

2. 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.

2.1 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

2.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

The Academy Trust has free reserves of £19,747 and based on the current level of performance is forecasting to have negative free reserves in the next financial year. The Board of Trustees have agreed a recovery plan with the ESFA that aims to return the Academy to a surplus position. This will be achieved through a reduction in costs incurred by the Academy and also the increased income generation from assets such as the new 3G pitch.

The Trustees consider that the plans in progress will ensure that the Academy will be able to continue as a going concern and as such have prepared the accounts on a going concern basis.

2.3 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.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **Donations**

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

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

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

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

- **Charitable activities**

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.

All resources expended are inclusive of irrecoverable VAT.

2.5 INTEREST RECEIVABLE

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

2.6 TANGIBLE FIXED ASSETS

Assets costing £1000 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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	- Straight line over 125 years
Long term leasehold buildings	- Straight line 2% pa
3G pitch	- Straight line 10% pa
Furniture and equipment	- Straight line 15% pa
Plant and equipment	- Straight line 15% pa
Motor vehicles	- Straight line 20% pa
Computer equipment	- Straight line 25% pa

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

2.7 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 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.

2.9 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.

2.10 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 as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

2. ACCOUNTING POLICIES (continued)

2.11 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.

2.12 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.

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

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

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

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

3. 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 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy 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.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	26,926	43,514	70,440	62,596
Capital Grants	-	697,061	697,061	215,405
	<u>26,926</u>	<u>740,575</u>	<u>767,501</u>	<u>278,001</u>
TOTAL 2018	<u>5,411</u>	<u>272,590</u>	<u>278,001</u>	

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	2,515,447	2,515,447	2,404,846
Other DfE/ESFA grants	-	256,500	256,500	227,124
	-	2,771,947	2,771,947	2,631,970
Other Government grants				
High Needs	-	81,408	81,408	45,071
Other government grants non capital	-	28,659	28,659	18,681
	-	110,067	110,067	63,752
Other funding				
Tuition fee income	25,767	-	25,767	23,318
Sales to students	7,690	-	7,690	8,284
External Trips income	96,660	-	96,660	43,281
	130,117	-	130,117	74,883
	130,117	2,882,014	3,012,131	2,770,605
TOTAL 2018	74,883	2,695,722	2,770,605	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	34,609	34,609	15,881
After school club income	4,354	4,354	3,358
	38,963	38,963	19,239

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	169	169	265

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	2,119,056	108,343	280,379	2,507,778	2,582,546
Allocated support costs	532,247	110,668	299,083	941,998	819,682
	<u>2,651,303</u>	<u>219,011</u>	<u>579,462</u>	<u>3,449,776</u>	<u>3,402,228</u>
TOTAL 2018	<u>2,686,712</u>	<u>259,282</u>	<u>456,234</u>	<u>3,402,228</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	2,507,778	941,998	3,449,776	3,402,228
TOTAL 2018	<u>2,582,546</u>	<u>819,682</u>	<u>3,402,228</u>	

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	20,000	29,000
Staff costs	2,119,056	2,217,722
Depreciation	164,823	153,541
Educational supplies	57,298	58,433
Staff development	6,586	12,471
Educational trips and visits	75,929	44,730
Supply teachers	64,086	66,649
	<u>2,507,778</u>	<u>2,582,546</u>

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	22,000	18,000
Staff costs	484,249	402,341
Depreciation	25,399	27,744
Other costs	28,495	11,773
Recruitment and support	7,458	10,066
Maintenance of premises and equipment	8,394	7,758
Cleaning	7,376	10,414
Rent and rates	20,435	15,944
Energy costs	44,766	38,216
Insurance	19,139	16,282
Security and transport	6,958	7,780
Catering	26,946	32,949
Technology costs	57,337	43,938
Office overheads	19,417	28,013
Legal and professional	160,582	146,553
Bank interest and charges	3,047	1,911
	<u>941,998</u>	<u>819,682</u>

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	5,803	5,803
Depreciation of tangible fixed assets	190,222	181,285
Fees paid to auditors for:		
- audit	9,500	7,250
- other services	1,650	1,650
	<u>9,500</u>	<u>7,250</u>
	<u>1,650</u>	<u>1,650</u>

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,982,723	1,995,015
Social security costs	175,657	175,546
Pension costs	444,925	449,502
	<u>2,603,305</u>	<u>2,620,063</u>
Agency costs	64,086	66,649
	<u>64,086</u>	<u>66,649</u>
	<u>2,667,391</u>	<u>2,686,712</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	25	30
Teaching assistants	41	45
Administration and support	10	12
Management	5	5
	<u>81</u>	<u>92</u>

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

11. STAFF COSTS (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	24	30
Teaching assistants	25	26
Administration and support	7	8
Management	5	5
	<u>61</u>	<u>69</u>

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £386,521 (2018: £289,735).

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

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

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff 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; J Hopegood: Remuneration £75,000 - £80,000 (2018: £70,000 - £75,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000); M Bailey: Remuneration £10,000 - £15,000 (2018: £5,000 - £10,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000); P Brook: Remuneration £15,000 - £20,000 (2018: £40,000 - £45,000), Employer's pension contributions £0 - £5,000 (2018: £5,000 - £10,000); K Preston: Remuneration £25,000 - £30,000, Employer's pension contributions £0 - £5,000.

During the year, retirement benefits were accruing to 3 Trustees (2018 - 3) in respect of defined benefit pension schemes.

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

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

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost is part of a larger premium which is not separately identifiable.

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	3G pitch £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION							
At 1 September 2018	6,211,640	-	266,194	30,178	330,864	20,720	6,859,596
Additions	139,641	612,933	5,295	-	14,751	-	772,620
At 31 August 2019	6,351,281	612,933	271,489	30,178	345,615	20,720	7,632,216
DEPRECIATION							
At 1 September 2018	713,655	-	201,080	28,982	314,462	20,720	1,278,899
Charge for the year	105,433	41,824	27,734	515	14,716	-	190,222
At 31 August 2019	819,088	41,824	228,814	29,497	329,178	20,720	1,469,121
NET BOOK VALUE							
At 31 August 2019	5,532,193	571,109	42,675	681	16,437	-	6,163,095
At 31 August 2018	5,497,985	-	65,114	1,196	16,402	-	5,580,697

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	8,890	22,104
Other debtors	75,779	14,471
Prepayments and accrued income	357,133	92,163
	<u>441,802</u>	<u>128,738</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	9,519	5,324
Other taxation and social security	41,213	44,078
Pension contributions	41,521	41,216
Accruals and deferred income	137,623	165,403
	<u>229,876</u>	<u>256,021</u>
	2019 £	2018 £
Deferred income at 1 September	31,034	12,389
Resources deferred during the year	20,629	31,034
Amounts released from previous periods	(31,034)	(12,389)
	<u>20,629</u>	<u>31,034</u>

At the year end the Academy held funds received in advance from the ESFA relating to the 2019/20 academic year.

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at amortised cost	344,978	489,981
Financial assets that are debt instruments measured at amortised cost	-	-
	<u>344,978</u>	<u>489,981</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(138,034)</u>	<u>(180,909)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	167,433	196,175	(343,861)	-	-	19,747
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	2,515,447	(2,344,800)	(170,647)	-	-
Y7 Catchup	-	20,145	(20,145)	-	-	-
PE Sports Grant	6,238	19,610	(25,848)	-	-	-
High Needs	-	81,408	(81,408)	-	-	-
Pupil Premium	18,643	180,858	(185,201)	-	-	14,300
Devolved Formula Capital (DFC)	12,904	-	-	(12,904)	-	-
Teachers Pay Grant	-	23,132	(23,132)	-	-	-
Other restricted funds	1,231	84,928	(86,159)	-	-	-
Pension reserve	(1,615,000)	-	(149,000)	-	(287,000)	(2,051,000)
	(1,575,984)	2,925,528	(2,915,693)	(183,551)	(287,000)	(2,036,700)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,450,425	-	(105,433)	(88,056)	-	5,256,936
Fixed assets purchased from GAG and restricted funds	10,779	39,749	(42,965)	52,230	-	59,793
Fixed assets purchased from CIF funding	202,894	193,617	-	85,713	-	482,224
Other fixed assets - 3G Sports Pitch	-	463,695	(41,824)	133,664	-	555,535
	5,664,098	697,061	(190,222)	183,551	-	6,354,488
TOTAL RESTRICTED FUNDS	4,088,114	3,622,589	(3,105,915)	-	(287,000)	4,317,788
TOTAL FUNDS	4,255,547	3,818,764	(3,449,776)	-	(287,000)	4,337,535

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

18. STATEMENT OF FUNDS (CONTINUED)

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

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

Year 7 Catchup - Funding received from the ESFA to cater for year 7 pupils who attained low year 6 SAT's results.

PE Grant - This represents funding received from the ESFA and must be used to fund improvement to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

High Needs - Funding received by 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 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 purchase of the Academy's assets.

Other Restricted Funds covers smaller restricted donations including parent's trip contributions and rates income.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension scheme this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy from the Local Authority.

Fixed assets purchased from restricted funds represents amounts spent on fixed assets from GAG and DFC received from the ESFA and other restricted donations.

Fixed assets purchased from CIF funding represents amounts spent on fixed assets from the Condition Improvement Fund grant.

Other fixed assets - 3G sports pitch represent amounts spent on the 3G sports pitch.

Other Information

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 2019.

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	299,245	99,798	(231,610)	-	-	167,433
RESTRICTED FUNDS						
General Annual Grant (GAG)	97,631	2,416,771	(2,514,402)	-	-	-
Y7 Catchup	-	15,904	(15,904)	-	-	-
PE Sports Grant	713	19,360	(13,835)	-	-	6,238
High Needs	-	45,071	(45,071)	-	-	-
Pupil Premium	1,194	179,935	(162,486)	-	-	18,643
Devolved Formula Capital (DFC)	7,411	12,511	-	(7,018)	-	12,904
Other Restricted Funds	-	75,866	(74,635)	-	-	1,231
Pension Reserve	(1,805,000)	-	(163,000)	-	353,000	(1,615,000)
	<u>(1,698,051)</u>	<u>2,765,418</u>	<u>(2,989,333)</u>	<u>(7,018)</u>	<u>353,000</u>	<u>(1,575,984)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,557,391	-	(106,966)	-	-	5,450,425
Fixed assets purchased from GAG and restricted funds	78,080	-	(74,319)	7,018	-	10,779
Fixed assets purchased from CIF funding	-	202,894	-	-	-	202,894
	<u>5,635,471</u>	<u>202,894</u>	<u>(181,285)</u>	<u>7,018</u>	<u>-</u>	<u>5,664,098</u>
TOTAL RESTRICTED FUNDS	<u>3,937,420</u>	<u>2,968,312</u>	<u>(3,170,618)</u>	<u>-</u>	<u>353,000</u>	<u>4,088,114</u>
TOTAL FUNDS	<u>4,236,665</u>	<u>3,068,110</u>	<u>(3,402,228)</u>	<u>-</u>	<u>353,000</u>	<u>4,255,547</u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,163,095	6,163,095
Current assets	19,747	149,673	285,896	455,316
Creditors due within one year	-	(135,373)	(94,503)	(229,876)
Provisions for liabilities and charges	-	(2,051,000)	-	(2,051,000)
TOTAL	19,747	(2,036,700)	6,354,488	4,337,535

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	5,580,697	5,580,697
Current assets	274,934	63,554	207,383	545,871
Creditors due within one year	(107,501)	(24,538)	(123,982)	(256,021)
Provisions for liabilities and charges	-	(1,615,000)	-	(1,615,000)
TOTAL	167,433	(1,575,984)	5,664,098	4,255,547

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	368,988	(334,118)
ADJUSTMENTS FOR:		
Depreciation	190,222	181,285
Capital grants from DfE and other capital income	(697,061)	(215,405)
Interest receivable	(169)	(265)
Defined benefit pension scheme cost less contributions payable	107,000	117,000
Defined benefit pension scheme finance cost	42,000	46,000
Increase in debtors	(313,064)	(20,824)
(Decrease)/increase in creditors	(56,145)	127,001
NET CASH USED IN OPERATING ACTIVITIES	(358,229)	(99,326)

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	169	265
Purchase of tangible fixed assets	(772,620)	(142,636)
Capital grants from DfE Group	727,061	215,405
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(45,390)	73,034

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	13,514	417,133
TOTAL CASH AND CASH EQUIVALENTS	13,514	417,133

23. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

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

24. PENSION COMMITMENTS

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

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

Contributions amounting to £41,521 were payable to the schemes at 31 August 2019 (2018 - £41,216) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

24. PENSION COMMITMENTS (CONTINUED)

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

The employer's pension costs paid to TPS in the year amounted to £214,696 (2018 - £218,696).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £158,000 (2018 - £145,000), of which employer's contributions totalled £123,000 (2018 - £114,000) and employees' contributions totalled £ 35,000 (2018 - £31,000). The agreed contribution rates for future years are 20.9% for employers and 5.5%--12.5% for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.9 years	24.0 years
Females	24.0 years	25.2 years
<i>Retiring in 20 years</i>		
Males	24.6 years	26.3 years
Females	25.8 years	27.5 years

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

24. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,268,000	1,112,000
Bonds	271,000	224,000
Property	145,000	138,000
Cash	106,000	74,000
TOTAL MARKET VALUE OF ASSETS	1,790,000	1,548,000

The actual return on scheme assets was £116,000 (2018 - £61,000).

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

	2019 £	2018 £
Current service cost	(224,000)	(230,000)
Past service cost	(6,000)	-
Interest income	42,000	36,000
Interest cost	(84,000)	(83,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(272,000)	(277,000)

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

	2019 £	2018 £
AT 1 SEPTEMBER	3,173,000	3,185,000
Current service cost	224,000	230,000
Interest cost	84,000	83,000
Employee contributions	35,000	31,000
Actuarial losses/(gains)	360,000	(329,000)
Benefits paid	(41,000)	(27,000)
Past service costs (gain)	6,000	-
AT 31 AUGUST	3,841,000	3,173,000

SELWOOD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

24. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
AT 1 SEPTEMBER	1,558,000	1,380,000
Return on plan assets (excluding net interest on the net defined pension liability)	43,000	37,000
Actuarial gains	73,000	24,000
Employer contributions	123,000	114,000
Employee contributions	35,000	31,000
Benefits paid	(41,000)	(27,000)
Administration expenses	(1,000)	(1,000)
AT 31 AUGUST	1,790,000	1,558,000

25. OPERATING LEASE COMMITMENTS

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

	academy 2019 £	academy 2018 £
AMOUNTS PAYABLE		
Not later than 1 year	5,803	5,803
Later than 1 year and not later than 5 years	967	6,770
	6,770	12,573

26. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

