

Company Registration Number: 8100578 (England & Wales)

NESTON HIGH SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

NESTON HIGH SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Members

K Mothersdale
K Roberts
L Gittins
J Gilmour
P Bates

Trustees

K Mothersdale, Chair
K Roberts, Vice Chair
K Simpson, Accounting Officer
P D Haworth
I Mellor¹
K E Jones
P Airey
P Sweetman¹ resigned 22/11/2020
A Liptrot¹ resigned 2/12/2020
K Clarke ¹
P Reilly
C Randerson¹
S Roberts resigned 8/11/2020

¹ member of the financial audit committee

Company registered number

8100578

Company name

Neston High School

Principal and registered office

Raby Park Road, Neston, CH64 9NH

Company secretary

T Phillips

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
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Senior management team

K Simpson Headteacher

K Cunningham, Deputy Headteacher

J Tyrrell, Deputy Headteacher

K McCarthy, Deputy Headteacher

A Lacey, Assistant Headteacher

S Nuttall, Assistant Headteacher

J Millington, Assistant Headteacher

F Robinson, Acting Assistant Headteacher

H Waites, Assistant Headteacher

K Smith, Assistant Headteacher

T Phillips, Business Manager

Independent auditor

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Lloyds, 137 Telegraph Road, Heswall, CH60 0AN

Solicitors

Walker Morris, Kings Court, 12 King Street, Leeds, LS1 2HL

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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2020 to 31st August 2021. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the FRS102 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015 and the Annual Accounts Direction. The annual report serves the purposes of both a Trustee's report and a Directors' report under company law.

The trust operates an academy for students aged 11 – 18+ serving a large catchment area attracting students from Cheshire West and Chester and Wirral. The capacity of the school building is 1750 and had a roll of 1736 in the Autumn 2020 school census. Over the past few years, the school has been heavily oversubscribed with a large number of first choice applications. In 2019/20 there was a dip in sixth form applications reducing the overall number of students on roll, this year group completed their studies in 2020/21. The school also has a high number of students transferring in to different year groups during the academic year. The Trustees vision for the school is that we are the outstanding, inclusive, 11-18 comprehensive school of first choice for all students from the local community.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity incorporated on 11 June 2012 in the United Kingdom.

The charitable company's memorandum and articles of association are the primary governing document of the academy trust.

The charitable company is known as Neston High School.

Details of the Members and Trustees who served during the year are included in the Reference and administrative details on page 1.

b. TRUSTEE'S INDEMNITIES

Subject to the provisions of the Companies Act 2006, Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omissions in the course of their official duties. The limit of this indemnity is £10,000,000.

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c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

On 1 July 2012 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Articles of Association and Funding Agreement allow the academy to have the following Trustees:

- Up to three staff Trustees – appointed by Trustees through such process as they may determine
- Up to one LA Trustee – The LA appoint the LA Trustee
- Up to 10 Community Trustees – appointed by a majority vote of the Trustees
- A minimum of two Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when they are elected.
- The Headteacher who shall be treated for all purposes as being an ex officio Trustee

In 2020/21 Trustee Membership is as follows:

- 13 Trustees
- 2 Staff Trustees plus the Headteacher (1)
- 7 Community Trustees
- 3 Parent Trustees

The term of office for any Trustee shall be four years save that this time limit shall not apply to the Headteacher.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All newly appointed Trustees receive a basic introduction to their membership by the Headteacher. This includes the provision of all relevant papers and reports and a tour of the school in which they meet all senior staff.

All Trustees complete a skills audit and are subject to the necessary Disclosure and Barring Service checks.

All Trustees are provided with information about training courses organised by the LA and National Governors' Association and are encouraged to attend appropriate courses. There is a Trustee training budget, the school also invites Trustees to attend relevant staff training and provides regular training and update sessions.

e. ORGANISATIONAL STRUCTURE

The management structure consists of two levels, the Trustees and the senior management of the school. The Headteacher is the Accounting Officer. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions.

The full Board of Trustees meets monthly, up to 12 times per year. They establish an overall framework for the governance of the School and determine membership terms of reference and procedures of the Board. The Board of Trustees may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are five separate committees meeting when required.

- Financial Audit Committee
- Headteacher Performance Review
- Pay
- Staff Disciplinary
- Student Disciplinary

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During the academic year 2016/17 the Trustees reviewed the structure of Board. It recognised that the previous Governing Body structure has been in place for many years without review. It was noted that the size of the current Governing body was very large and that an alternative structure might be more effective/efficient. Following discussions, a decision was made to reduce the numbers serving on the Governing Body to 14 Trustees (two of which will also be members) and three members. The composition is broadly based on seven community, three staff (including the Head) and four parents (minimum two) this structure is in line with the existing structure detailed in the Articles of Association.

f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

When determining the pay range for key management personnel the governing body will consider all the permanent responsibilities of the role, any challenges specific to the role and all other relevant circumstances including recruitment or retention difficulties. All appointments are made in accordance with the School Teachers Pay and Conditions Document (STPCD) details of which are published in the school's pay policy.

The Headteacher's pay range is calculated based on the school group size. Neston High School, due to its size is classed as a Group 8 school, the pay range for a Headteacher in a Group 8 school is between £81,942 - £117,197.

The Board of Trustees has determined that three deputy head teacher posts and six assistant head teacher posts are to be included in the school's staffing structure, these roles are all classed as key management personnel. The pay range for these positions is determined in accordance with the STPCD with due regard to pay rates for other teaching posts and the head teacher.

The Business Manager's pay range is based on the National Joint Council payscale and reflects the job description and pay range of a Cheshire West and Chester evaluated job specification.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Brio Leisure (a Community Interest Company) manages the leisure facilities which are owned by Cheshire West and Chester Council (CWAC). There is a joint use agreement between CWAC/Brio Leisure and the school.

The school has strong collaborative links with its feeder primary schools and three other high schools Upton High, Whitby High and Helsby High.

Trade Union facility time

There were 2 relevant union officials who were full time employees during the year. There was no time spent on union facility time and the associated cost was £nil. There was no time spent on paid trade union activities.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and Activities

a. OBJECTS AND AIMS

The Academy Trust's object is specifically restricted to the following:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, and (b) to promote for the benefit of the inhabitants of Neston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Our Vision

The vision of the Trustees of Neston High School is that we are the outstanding, inclusive, 11-18 comprehensive school of first choice for all students in the local community. We aim to develop confident learners with the skills to take ownership of their learning, who are proud of their achievements and are well prepared for life in modern Britain.

Our Aims

We want our school to provide educational opportunities in a stimulating, creative, supportive and challenging environment.

We want students to be equipped with the skills and qualities needed to meet the opportunities, demands and challenges of life in the 21st Century, within a changing world of work and employment.

Our Values

We want our school to provide educational opportunities in a stimulating, creative, supportive and challenging environment. We want students to be equipped with the skills and qualities needed to meet the opportunities, demands and challenges of life in the 21st Century, within a changing world of work and employment.

In providing these educational opportunities our school operates according to a clear set of values, identified by students, embraced by Trustees and understood by the whole community. Pride and Courage are guiding principles that underpin the values that we are about as a community within 'Team Neston'

PRIDE represents:

Partnership
Respect
Inspiration
Determination
Equality and Excellence

In addition, we are clear that good behaviour management and security for students come mainly from inspirational teaching and high-quality tutoring, mentoring and guidance.

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b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Strategic Priorities for 20/21

- 1. To raise attainment and standards to outstanding**
- 2. To ensure that the school remains financially viable**
- 3. To develop pupils to their maximum potential**
- 4. Supporting staff to the highest standard of professional development and well-being.**
- 5. Ensuring successful transition at all stages in a student's life.**

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

A small selection of the highlights from 2020/21 are detailed below to give an insight into the activities on offer that help us to achieve our strategic goals.

Communities and Partnerships

Although the school community moved into a fantastic £21,000,000 new building in September 2017, as part of the Priority School's Building Programme, developmental work continues to provide even better facilities for our students. During 2020/21, following feedback from students, development work was carried out to improve the sixth form independent study facilities. There are now three distinct areas for students to study ranging from silent zone study booths, an IT rich learning resource centre and a more relaxed communal area for students to study collaboratively.

Part of the school's vision is for the school to be at the heart of its community, in May 2020 work started on the development of a 3G football pitch to enhance the excellent sports facilities already available to students and the community. The opening of the pitch was delayed due to Covid restrictions but eventually opened with restricted access for the school and its partner club Neston Nomads from April 2021. The provision of this fantastic new facility means that students at Neston High and the local community have access to the best facilities in the area. From September 2021 the 3G pitch will be accessible to the wider community with Covid safe measures in place.

Character and Wellbeing

Covid-19 continued to have an impact on students, their families and our staff in 2020/21. Our established values of 'Aspiration, Community, Kindness' and the school rules of being 'Ready, Respectful and Safe' were especially supportive as we continued to balance learning from home, key worker groups and safe reintegration into the school building. We truly believe that the school values are at the heart of what makes Neston a special place to learn and develop and support young people.

This year restrictions have meant that many of the extracurricular opportunities such as educational visits, Duke of Edinburgh award scheme and after school sports and activities have been limited but we are looking forward to 2021/22 and re-establishing these opportunities for our young people.

During lockdown a process was set up to RAG rate every student in the school to identify if additional support or extra home contact was needed. Tutors made welfare calls to each of their tutees with the pastoral team and SEND colleagues making more regular focussed contact with those families identified as requiring additional support. Through regular contact during lockdown, it was recognised that although most students adapted well to working from home, they were finding learning and working online more challenging. To support students, a small number of wellbeing days were built into the timetable, on these days no standard live lessons were delivered, instead students were encouraged to engage in well-being activities including 'bake offs', going for a walk and sharing stories and photographs. This initiative was well received by both

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students and their families.

The school continues to celebrate outstanding effort and achievement at every opportunity, establishing a culture of rewarding students who go above and beyond in terms of attitude to learning, progress and contribution in lessons both face to face and online. This year a system for tracking and celebrating engagement and effort was developed and implemented for older students (Y11). Each student received one of four letters, Platinum/Gold/Silver/Bronze congratulating them on their achievement and indicating how they could continue to develop. This exercise also identified those students who needed intervention and support. The school continues to review and enhance its rewards programme to encourage students to enjoy and get the most from their school experience and opportunities on offer.

Teaching and Learning and CPD

The Teaching and Learning Team continue to develop the quality of professional development for staff to ensure that the focus is on learning as the core purpose of school life. One key way this has been achieved is through the establishment of WOW (Wonder On Wednesday) sessions to support staff in developing strategies such as retrieval practice so that teachers can ensure that pupils embed key concepts in their long-term memory and apply them fluently. These sessions continued during lockdown and were well attended so that staff could incorporate strategies such as dual coding in to planning to support students in narrowing the gap. This in turn means teachers can enable pupils to understand key concepts, present information clearly and encourage appropriate discussion through the use of effective strategies. Weekly CPD tips were also given to staff during lockdown to encourage them to engage with research linked to key areas such as Rosenshine's Principles in Action to further support student engagement and learning. As part of a wider scheme, four middle leaders have enrolled on the NPQSL/ML programmes, as well as a research place with the SSAT group. The impact will be to ensure a greater understanding of strategic leadership across this group and to support succession planning in terms of Associate assistant heads and wider leadership.

A 'Professional Learning Plan' is now in place for all teaching staff using the 'Inquiry Question Model' approach. This means that all teachers are reflecting on their practice and specifically, analysing the data from a recent cohort (2019) to identify an area of practice to focus on linking with school priorities, either literacy or cognitive science to help pupils embed and use knowledge fluently and develop their understanding. This process will incorporate a well-planned analysis and proposal, monitored by line managers and ties into Appraisal. This builds on the Teaching and Learning communities that were in place prior to March 2020, to support staff development in working collaboratively and with autonomy, to create a culture of professional learning that has a positive impact on student outcomes.

A Professional Learning Pathway/programme is also in place so that a bespoke model exists to support all teachers in professional development at whatever stage they are at, so that staff are well motivated and consequently there is a positive impact on the quality of education. This roadmap supports staff at every level of development from Trainee teachers to senior leaders. Talent spotting is also a focus of this programme. NQTs and RQTs who started at the school in September 2020, have benefited from a personalised support programme since April 2020. This was because of the unusual circumstances related to lockdown and lack of experience. The team run training sessions and one to one coaching and mentoring for the NQ/RQTs focusing on dealing with pupil behaviour and classroom management, amongst a range of other sessions such as pedagogy, data, safeguarding and so on. A robust mentoring system and new staff induction programme is in place to provide effective support and meet the needs of individuals.

There is now a detailed remote learning contingency plan, policy and home school agreement in place along with clear guidelines are in place to ensure consistency in the quality of assignments set, and a dedicated twilight session was run to ensure all staff are aware of their responsibility in this area, as well as the delivery of live lessons. All year groups are trained on the use of Teams.

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In order to support staff in returning to the classroom after lockdown, library of resources is available with a focus on retrieval practice and consolidation of knowledge and so on. Resources are also in place for tutors to use in form sessions to help narrow the gap and ensure students become self-regulated learners.

Staff are supported in developing expert knowledge of their subjects through membership of subject associations as well as attending department meetings with a clear focus on teaching and learning.

d. PUBLIC BENEFIT

The academy's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

e. CHARITY WORK AND FUNDRAISING

The school community is dedicated to helping others, unfortunately due Covid-19 restrictions our fundraising has been limited this year. We did however have a fantastic collection of food for the local foodbank prior to lockdown as students were worried that some families would go without food. Staff and students raised funds for the following charities and causes; Bloodwise, Sports Relief, Macmillan and Clatterbridge Oncology. In 2021, students and staff will share their personal charity work and fundraising challenges through the school's social media channels.

The charity had no fundraising activities requiring disclosure under the provisions of the Charities (Protection and Social Investment Act 2016).

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The school was subject to an Ofsted Inspection on 17th January 2017. The school continues to be judged as good.

The Trustees were pleased to note that Ofsted commented that the leadership team has maintained the good quality of education in the school since the last inspection and ensured that it continues to improve.

A selection of the inspection findings is listed below, and the full Ofsted report can be viewed on the school's website.

The Ofsted report states:

- Teachers and leaders at all levels are enthusiastic and ambitious. You ensure that they have very high expectations of themselves. Similarly, high standards are expected of pupils in both their academic achievement and behaviour.

- Pupils' comments about the school are very positive. They are happy and feel very well looked after. They consider the relationships between themselves and staff to be excellent. Pupils are appreciative of all that the staff do for them in terms of supporting them academically, emotionally and providing excellent opportunities for personal development.

- Pupils at this school receive a very good and well-rounded- education. Pupils achieve well, behave well and take part enthusiastically in the many opportunities provided to enhance their personal development and leadership skills.

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- You and the governing body consult very well and respond to the views of pupils and parents. In addition, you and the governing body analyse the impact of the work of the school on pupil achievement and their personal development in considerable depth. These consultations and analyses provide you with a well-informed view of the school and this enables you to target improvements specifically where they are most needed.
- The governing body provides excellent guidance and leadership of the school. They have a wide range of high-level skills, including strategic institutional management. Trustees are very well informed and are perfectly capable of holding you and other school leaders to account.
- Strong leadership exists at all levels because you have systematically developed high quality leadership skills throughout your school. This results in high levels of professional trust and respect for leaders. They have the skills and the opportunities to improve the aspects of the school for which they are responsible. As a result of -high-quality- leadership, all aspects of the school are improving and there is strong capacity within the leadership team for this improvement to continue.

b. GOING CONCERN

Financial Impact of Covid

When the school closed its doors for the Christmas holidays in December, we did not think that our students would not be returning from their Christmas break until 8th March 2021. The Government's announcement in January that schools would need to remain closed to control the pandemic came as a shock to schools across the country. A childcare provision was immediately set up for the children of key workers and vulnerable students, with the remaining students being taught online. Staffing for the childcare facility was provided by staff already employed by the school, with no additional cost to the school budget. Prior to lockdown the school had experienced high levels of staff absence with a large number of staff being absent with Covid-19 symptoms or due to isolation, these absences were covered by agency supply teachers and cover supervisors. The cost of cover for teachers and support staff continues to have a negative financial impact on the school and we envisage this will continue into 2021/22.

To enable students to be able to access their online lessons through MS Teams, all of the laptops owned by the school at the time were loaned to students and further laptops ordered to meet demand. The Government scheme also provided an additional 114 laptops.

The school received a grant of £120k of catch-up premium of which £96k was utilised in 2020-21, the remaining has been earmarked for continued support for students disadvantaged by the Covid pandemic. In 2020-21 £96k was spent on purchasing additional laptops to support students who were working from home due to self-isolation and close contact with positive cases; additional staffing in English, Maths and Science to support catch up groups/interventions and the purchase of additional software aimed at supporting students to catch up on lost learning across all curriculum areas.

Children entitled to free school meals were provided with supermarket vouchers purchased through the Government scheme. Supermarket vouchers were distributed fortnightly to families including through the school holidays.

Since the start of the pandemic the school have employed additional cleaning staff and met the cost of additional cleaning consumables and hand sanitisers.

The business manager and key management personnel refer to the three-year rolling budget when making all

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strategic decisions to ensure that plans are sustainable. This is particularly relevant at a time when budgets remain stable but staffing and other costs are escalating.

The school is popular and heavily oversubscribed, allowing for fairly accurate long-term budget forecasting.

The facilities at the school including a full-sized hockey pitch, 3G football pitch, multiuse games area and dance studios will be used to generate income to support school activities in the future.

The school has a well-managed budget that retains a planned reserve of between 3-5% of total income. The percentage reserve has been set to ensure that current students are not disadvantaged by the school retaining excessive reserves and the lower limit to ensure that the school has sufficient working capital to function on a day-to-day basis. The 3 Year budget plan is included in Trustees meetings at least termly. The Trustees and senior management team will continue to review forecast performance, on this basis the Trustees are satisfied that the going concern basis remains appropriate.

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

c. FINANCIAL REVIEW

Most of the academy's income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statements of financial activities.

The land and buildings and other assets were transferred to the Academy upon conversion and are shown in restricted fixed assets. With the move to the new building in September 2017 the previous year's accounts reflected the full depreciation costs of the old building which had been planned over a shorter time frame in readiness for the new build and demolition of the old school buildings.

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management including financial responsibilities of the Trustees, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

d. INVESTMENT POLICY AND PERFORMANCE

The academy's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adopted by the governing body and must always ensure the maximum integrity of such investments. The priority for the academy to have cash invested in liquid investments that bear minimal risk ensuring that each deposit is covered separately by the Financial Services Compensation Scheme.

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e. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The school has a high profile in the community and is aware that recruitment and retention of students is paramount to its success. The senior leadership team are actively involved in evaluating the impact of regularly changing assessment systems that come from central government. The school's primary objective is to gain high levels of achievement for all of its students and in pursuing this there are regular reviews of the curriculum on offer to students, the guidance that is given to students and the training of staff to ensure that this is maximised. The school regularly draws upon the expertise and advice of an independent School Improvement Partner (SIP) who is a registered Ofsted Inspector to regularly audit and evaluate the quality of provision and its impact. The judgements of the SIP are presented to the senior leadership team and to the full Governing Body to ensure that these judgments influence the strategic direction of the school.

Financial review

a. RESERVES POLICY (figures in red to be updated when accounts are completed)

The academy currently has £530,812 in Unrestricted reserves. The school is working hard to maintain a reserve of 3-5% of total income £10,586,791 = £317,604 - £529,340 to support cashflow. The 3 year budget plan is updated and reviewed at every Board meeting to ensure that issues are discussed with a clear view of the ongoing financial impact of decisions made.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The uncertainty around the actual impact of the introduction of a National Funding Formula has made future financial planning more difficult than usual. The senior leadership team and trustees are considering various financial scenarios going forward in order to ensure that the school remains financially viable. An additional uncertainty facing schools is the cost of employing its staff due to increases in support staff salaries, higher than usual increases to teacher's salaries from September 2020 and increases to Local Government and Teachers employer's contributions.

The school has been heavily oversubscribed for the past three years with a high percentage of applicants coming from out of the immediate catchment area. The school is aware that only 41% of its student population reside in the school catchment area and a high proportion of the remainder are reliant upon expensive public transport.

c. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees are responsible for the management of risks to which the school is exposed and are assisted in this task by the Senior Leadership team, Health & Safety and Human Resources representatives from the Local Authority and the school's auditors Crowe U.K. LLP. Operational risks are identified and assessed at school level and these are reviewed by Trustees. Risks areas identified for regular review include:

- Future admissions
- Physical assets
- Cyber Security
- Premises related issues
- Future Funding
- Third Party Liability
- Legal and Compliance

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Systems and procedures are constantly under review to mitigate against the types of risk the academy faces.

d. FUTURE DEVELOPMENTS

We will continue with our drive on ensuring that overall learning and teaching becomes 'Outstanding'. We will be reviewing our monitoring and tracking procedures to ensure that we continue to close the gap for disadvantaged students who are entitled to Pupil Premium.

To ensure our future numbers on roll we will continue with our marketing strategy by further utilising our school website, The school takes advantage of opportunities to celebrate the achievements of the school and its students in the local and national media including social media.

The next stage in developing the Neston High School campus is the provision of a Learning Outside the Classroom space. Planning for this project has been delayed due to Covid but will start again in Autumn 2021 with the support of various professionals in the field of Learning Outside the Classroom including Learning through Landscapes. Grant schemes are being investigated to support the cost of this scheme, including tree planting schemes.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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 charitable company's auditor is aware of that information.

The Trustees report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2021 and signed on its behalf by:

K Mothersdale
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustee's report and in the Statement of Trustee's responsibilities. The board of trustees has formally met 8 times remotely during the year. Due to Covid restrictions, meetings were held virtually using Microsoft Teams. Attendance during the year at meetings of the board of trustees was as follows:

Board of Trustees Meeting	Mr A Liptrot Resigned 2/12/20	Mrs K Clarke	Mr Sweetman Resigned	Mr P Reilly	Mr K Simpson	Mr Mothersdale K	Mrs K Roberts	Mr I Mellor	Mrs KE Jones	Mr D Haworth	Mr P Airey	Mr Randerson C	Mr S Roberts Resigned 8/11/20
23.9.20	P	P	A	A	P	P	P	P	P	P	P	P	P
4.11.20	A	P	P	P	P	P	P	P	P	P	P	P	A
9.12.20	N/A	P	N/A	Ab	P	P	P	P	P	P	P	P	N/A
14.1.21	N/A	Ab	N/A	P	P	P	P	P	P	P	P	P	N/A
25.2.21	N/A	P	N/A	P	P	P	P	P	P	P	P	P	N/A
25.3.21	N/A	P	N/A	P	P	P	P	P	P	P	P	P	N/A
13.5.21	N/A	P	N/A	P	P	P	P	P	P	P	P	P	N/A
17.6.21	N/A	P	N/A	Ab	P	P	P	P	P	P	P	P	N/A
Attended	1	7	1	5	8	8	8	8	8	8	8	8	1
Out of a Possible	2	8	2	8	8	8	8	8	8	8	8	8	2

Key P: Present, A: Apologies, AB: Absent, N/A: Not on Committee/Board/No longer a Trustee

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GOVERNANCE STATEMENT (continued)

The Finance Audit Committee is an additional committee of the main board of Trustees. Its purpose is to assist the Board in fulfilling its oversight responsibilities for internal controls and for maintaining an appropriate relationship with the Trust's external auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Randerson	3	3
K Mothersdale	3	3
K Simpson	3	3
D Haworth	2	3

REVIEW OF VALUE FOR MONEY

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

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

- Regular review of the curriculum to ensure that the curriculum offered is appropriate and affordable.
- Review of intervention and alternative provision programmes
- Extension of electronic communication to reduce the cost of printing and postage
- Review of foreign language assistant provision – ensuring that hours are appropriate to the numbers of students studying individual languages.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Neston High School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

In the academic year 2018/19 the school employed Red Rambler as their Internal Auditor. Internal Audit in 2020/21 focussed on Audit arrangements; Covid-19 Real Time Assurance and Emerging Risks, Internal Control, Governance, Budget Planning and Monitoring, Risk Management, Website Compliance, Premises Management and Assets. Red Rambler were satisfied that new financial procedures implemented during Covid restrictions were robust. They also reviewed risk assessments in place for the operation of the school building and found these to be satisfactory and in line with DfE and HSE guidance.

On a termly basis, the appointee will report to the finance and audit committee on the operation of the systems of control and on the discharge of the board of Trustee's financial responsibilities.

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 external auditor.
- the financial management and governance self-assessment process.
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 13 December 2021 and signed on their behalf, by:

K Mothersdale
Chair of Trustees

K Simpson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Neston High School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2020.

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

K Simpson
Accounting Officer

Date: 13 December 2021

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STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who act as Trustees of Neston High School and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 13 December 2021 and signed on its behalf by:

K Mothersdale
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NESTON HIGH SCHOOL**

OPINION

We have audited the financial statements of Neston High School (the 'Academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a

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material misstatement in the financial statements themselves. 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Governors and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditor's report.

Use of our report

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

Vicky Szulist (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd floor The Lexicon
Mount Street
Manchester
M2 5NT

Date:

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

In accordance with the terms of our engagement letter dated 22 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Neston High School during the year 1 September 2020 to 31 August 2021 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 Neston High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Neston High School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Neston High School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Neston High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Neston High School's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academies issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

NESTON HIGH SCHOOL
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Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date:

NESTON HIGH SCHOOL
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED AS AT 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:						
Donations and capital grants	2	-	-	271,985	271,985	719,467
Charitable activities	5	387,113	9,900,370	-	10,287,483	10,215,042
Other trading activities	3	26,563	-	-	26,563	21,364
Investments	4	760	-	-	760	452
TOTAL INCOME		<u>414,436</u>	<u>9,900,370</u>	<u>271,985</u>	<u>10,586,791</u>	<u>10,956,325</u>
EXPENDITURE ON:						
Charitable activities		436,960	10,245,043	104,885	10,786,888	10,668,333
TOTAL EXPENDITURE	6					
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(22,524)	(344,673)	167,100	(200,097)	287,992
Gross Transfers between funds		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,132,000)	-	(1,132,000)	(18,000)
NET MOVEMENT IN FUNDS		<u>(22,524)</u>	<u>(1,476,673)</u>	<u>167,100</u>	<u>(1,332,097)</u>	<u>269,992</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		553,336	(2,884,530)	5,136,985	2,805,791	2,535,799
TOTAL FUNDS CARRIED FORWARD		<u>530,812</u>	<u>(4,361,203)</u>	<u>5,304,085</u>	<u>1,473,694</u>	<u>2,805,791</u>

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REGISTERED NUMBER: 8100578

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	13		5,332,985		5,212,597
CURRENT ASSETS					
Debtors	14	678,367		806,323	
Cash at bank and in hand	21	<u>929,567</u>		<u>694,556</u>	
		1,607,934		1,550,879	
CREDITORS: amounts falling due within one year	15	<u>(1,016,225)</u>		<u>(1,013,685)</u>	
NET CURRENT ASSETS			<u>591,709</u>		<u>487,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,924,694		5,669,791
Defined benefit pension scheme liability	18		(4,451,000)		(2,894,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,473,694</u>		<u>2,805,791</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	89,797		9,470	
Restricted fixed asset funds	16	<u>5,304,085</u>		<u>5,136,985</u>	
Restricted income funds excluding pension liability		5,393,882		5,146,455	
Pension reserve		<u>(4,451,000)</u>		<u>(2,894,000)</u>	
Total restricted income funds			942,882		2,252,455
Unrestricted income funds	16		<u>530,812</u>		<u>553,336</u>
TOTAL FUNDS			<u>1,473,694</u>		<u>2,805,791</u>

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue, on 9 December 2020 and are signed on their behalf, by:

K Mothersdale
Chair of Trustees

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	20	367,021	96,938
Cash flows from investing activities:			
Dividends, interest and rents from investments		760	452
Purchase of tangible fixed assets		(223,337)	(782,470)
Capital Grants from Football Foundation		56,749	650,604
Capital grants from DfE/ESFA		<u>33,818</u>	<u>68,863</u>
Net cash provided by investing activities		<u>(132,010)</u>	<u>(62,551)</u>
Change in cash and cash equivalents in the year		235,011	34,387
Cash and cash equivalents brought forward		<u>694,556</u>	<u>660,169</u>
Cash and cash equivalents carried forward	21	<u>929,567</u>	<u>694,556</u>

NESTON HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Neston High School constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern
Financial Impact of Covid

When the school closed its doors for the Christmas holidays in December, we did not think that our students would not be returning from their Christmas break until 8th March 2021. The Government's announcement in January that schools would need to remain closed to control the pandemic came as a shock to schools across the country. A childcare provision was immediately set up for the children of key workers and vulnerable students, with the remaining students being taught online. Staffing for the childcare facility was provided by staff already employed by the school, with no additional cost to the school budget. Prior to lockdown the school had experienced high levels of staff absence with a large number of staff being absent with Covid-19 symptoms or due to isolation, these absences were covered by agency supply teachers and cover supervisors. The cost of cover for teachers and support staff continues to have a negative financial impact on the school and we envisage this will continue into 2021/22.

To enable students to be able to access their online lessons through MS Teams, all of the laptops owned by the school at the time were loaned to students and further laptops ordered to meet demand. The Government scheme also provided an additional 114 laptops.

Children entitled to free school meals were provided with supermarket vouchers purchased through the Government scheme. Supermarket vouchers were distributed fortnightly to families including through the school holidays.

Since the start of the pandemic the school have employed additional cleaning staff and met the cost of additional cleaning consumables and hand sanitisers.

The business manager and key management personnel refer to the three-year rolling budget when making all strategic decisions to ensure that plans are sustainable. This is particularly relevant at a time when budgets remain stable but staffing and other costs are escalating.

The school is popular and heavily oversubscribed, allowing for fairly accurate long-term budget forecasting.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating an income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating an income and expenditure account in the period in which it is receivable, where receipt is probable, and it is measurable.

Donations are recognised on a receivable basis where receipt is probable, and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised 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 incorporating the income and expenditure account 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 incorporating the income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold property	-	Over 10 -20 years
Fixtures & fittings	-	5 - 10 years
Computer equipment	-	3-5 years

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 incorporating the income and expenditure account.

1.6 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 incorporating the income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.8 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and include grants from the Education and Skills Funding Agency.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight-line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.10 Debtors

Trade and other debtors are recognised at the settlement amount.

1.11 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.

1.12 Liabilities and provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

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

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

1.14 Long-term contracts

Surplus on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The surplus included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	-	-	-	-
Football Foundation Grant	-	-	238,167	238,167	650,604
Capital grants	-	-	33,818	33,818	68,863
Total 2021	-	-	271,985	271,985	
<i>Total 2020</i>	-	-	719,467	-	719,467

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings income	26,563	-	26,563	21,364
Recharge for utilities				-
Total 2021	26,563	-	26,563	
Total 2020	21,364	-		21,364

4. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	760	-	760	452
Total 2020	452	-	-	452

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	9,015,440	9,015,440	8,675,372
Other DfE/ESFA grants	-	-	-	18,754
Pupil Premium	-	311,579	311,579	293,867
Bursary Fund	-	-	-	-
Donations – DfE IT Re covid	38,100	-	38,100	-
Schools Direct	-	6,895	6,895	4,500
High Level Funding Needs	-	347,596	347,596	282,095
Rates relief	-	32,384	32,384	27,073
	38,100	9,713,894	9,751,994	9,301,661
Other government grants				
Non-Government grants				-
Other income				
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	120,080	120,080	-
Other DfE/ESFA COVID-19 funding	-	51,313	51,313	-
COVID-19 additional funding (non DfE/ESFA)				
Coronavirus Job retention Scheme grant	-	11,785	11,785	37,958
Other COVID-19 funding	-	-	-	-
School trip income	26,446	-	26,446	382,548
School meal income	296,734	-	296,734	322,159
Salary recharges	-	3,298	3,298	84,753
Other school income	25,833	-	25,833	85,963
	349,013	3,298	352,311	913,381
Total 2021	387,113	9,900,370	10,287,483	
Total 2020	828,551	9,386,491		10,215,042

- The academy received £120k of funding for catch-up premium and costs incurred in respect of this funding totalled £96k, with the remaining £24k to be spent in 2021/22.
- The academy furloughed its catering staff under the government's CJRS. The funding received of £12k relates to staff costs in respect of 16 staff which are included within note 10 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2021	2021	2021	2021	2020
	£	£	£	£	£
Activities:					
Direct costs	6,797,945	-	432,712	7,230,657	7,315,947
Support costs	2,168,758	662,634	724,839	3,556,231	3,352,386
Total 2021	8,966,703	662,634	1,157,551	10,786,888	
Total 2020	8,569,406	576,462	1,522,465		10,668,333

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**NOTES TO THE FINANCIAL STATEMENTS
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7. CHARITABLE ACTIVITIES

	Total funds 2021 £	Total funds 2020 £
DIRECT COSTS EDUCATIONAL OPERATIONS		
Wages and salaries	5,335,308	5,103,445
National insurance	550,915	516,974
Pension cost	911,722	846,199
Recruitment	822	16,148
Staff development	12,086	21,350
Educational supplies	100,729	108,569
Trips and pupil costs	43,678	417,101
Examination fees	135,263	160,624
Other direct costs	<u>140,134</u>	<u>125,537</u>
	<u>7,230,657</u>	<u>7,315,947</u>
SUPPORT COSTS EDUCATIONAL OPERATIONS		
Wages and salaries	1,184,698	1,182,631
National insurance	80,844	74,638
Pension cost	903,216	845,519
Depreciation	104,885	39,193
Maintenance	332,602	299,008
Insurance	51,821	45,212
Security and transport	25,326	19,658
I.T	259,665	241,600
Rent and rates	148,088	167,038
Telephone	25,238	26,011
Catering	185,629	216,742
Other support costs	106,102	41,433
Printing and stationery	70,321	59,587
Legal and professional	7,500	3,442
Professional	50,414	69,322
Bank charges	7,807	10,512
Governance costs	<u>12,075</u>	<u>10,840</u>
	<u>3,556,231</u>	<u>3,352,386</u>
	<u>10,786,888</u>	<u>10,668,333</u>

During the year ended 31 August 2021, the academy incurred the following Governance Costs:

£12,075 (2020: £10,840) included within the table above in respect of audit and non-audit services.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	67,035	39,193
Operating lease rentals	36,139	36,139
Loss on disposal of assets	35,914	-
Auditors remuneration	<u>12,075</u>	<u>10,840</u>

9. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	<u>9,295</u>	<u>9,095</u>
Fees payable to the academy's auditor and its associates in respect of:		
All other non-audit services not included above	<u>2,780</u>	<u>1,745</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	6,462,234	6,191,562
Social security costs	649,233	607,345
Operating costs of defined benefit pension schemes	1,814,938	1,691,718
	8,926,405	8,490,625
Supply teacher costs	40,298	78,781
	8,966,703	8,569,406

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

	2021 No.	2020 No.
Teachers	109	106
Educational Support	47	46
Admin and clerical	16	15
Premises and catering	35	36
Management	11	10
	218	213

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

	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	0	0
In the band £100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 pension contributions for these staff members amounted to £105,446 (2020: £57,277).

The key management personnel of the Academy comprise the head teacher, three deputy head teachers, six assistant head teachers and the business manager. The total employee benefits of the key management personnel of the Company were £978,684 (2020: £753,551).

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NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEE'S REMUNERATION, PENSION CONTRIBUTION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustee's remuneration and other benefits was as follows:

		2021	2020
		£	£
K Simpson - Principal	Remuneration	100,000-110,000	100,000-110,000
	Pension contributions paid	20,000-25,000	20,000-25,000
A Hickman – Staff Trustee	Remuneration		25,000-30,000
	Pension contributions paid		5,000-10,000
P Reilly – Staff Trustee	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year, no trustees were reimbursed for travel expenses (2020: £NIL)

12. TRUSTEE'S AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. From 1 September 2017 insurance cover is with the ESFA's Risk Protection Arrangement and provides cover up to £10,000,000. The school pays £20 per pupil and the total cost for all insurances for the year ended 31 August 2021 was £30,690 (2020: £31,212). The fee for this insurance has dropped from £25 per pupil to £20.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. TANGIBLE FIXED ASSETS

	Assets in the course of construction	L/Term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2020	753,439	4,475,155	141,043	131,460	5,501,097
Additions	223,337	12,935			236,272
Transfer to fixed assets	(753,439)	753,439	-	-	-
Disposals	-	(122,125)	-	-	(122,125)
At 31 August 2021	223,337	5,119,405	141,043	131,460	5,615,244
Depreciation					
At 1 September 2020	-	77,966	79,377	131,157	288,500
Charge for the year	-	56,211	10,520	303	67,034
Disposals	-	(73,275)	-	-	(73,275)
At 31 August 2021	-	60,902	89,897	131,460	282,259
Net book value					
At 31 August 2021	223,337	5,058,503	51,146	-	5,332,985
At 31 August 2020	753,439	4,397,189	61,666	303	5,212,597

14. DEBTORS

	2021 £	2020 £
Trade debtors	161,903	12,268
Prepayments and accrued income	432,151	562,320
VAT recoverable	84,313	231,735
	<u>678,367</u>	<u>806,323</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	100,785	332,226
Other taxation and social security	184,600	175,884
Other creditors	190,570	167,982
Accruals and deferred income	<u>540,270</u>	<u>337,593</u>
	<u>1,016,225</u>	<u>1,013,685</u>
	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	18,683	139,830
Resources deferred during the year	9,110	18,683
Amounts released from previous years	<u>(18,683)</u>	<u>(139,830)</u>
Deferred income at 31 August 2021	<u>9,110</u>	<u>18,683</u>

Deferred income at 31 August 2021 relates to a Sports England Project funding to be utilised in 2021/22.
(2020: £18,683)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
Unrestricted funds	553,336	414,436	(436,960)	-	530,812
Restricted funds					
General Annual Grant (GAG)	8,149	9,015,440	(8,958,757)	-	64,832
Donations	-	-	-	-	-
High needs funding	-	347,596	(347,596)	-	-
Pupil Premium	-	311,579	(311,579)	-	-
Pupil Premium Year 7 catch up	-	-	-	-	-
Teachers' Salaries	-	-	-	-	-
Mentoring Income	437	-	-	-	437
Science Enthuse	-	-	-	-	-
Salary Recharges	-	3,298	(3,298)	-	-
Other DfE/ESFA COVID-19 funding	-	51,313	(51,313)	-	-
Catch up premium	-	120,080	(96,436)	-	23,644
Passport to Neston	77	-	-	-	77
Coronavirus Job Retention Scheme grant	-	11,785	(11,785)	-	-
Schools Direct	-	6,895	(6,895)	-	-
Rates Relief	807	32,384	(32,384)	-	807
Pension reserve	(2,894,000)	-	(425,000)	(1,132,000)	(4,451,000)
	(2,884,530)	9,900,370	(10,245,043)	(1,132,000)	(4,361,203)
Restricted Fixed Asset Funds					
Transfer of land and buildings	4,426,167	-	(104,885)	-	4,321,282
Devolved Formula Capital	710,818	271,985	-	-	982,803
Capital Expenditure from GAG	5,136,985	271,985	(104,885)	-	5,304,085
Total restricted funds	2,252,455	10,172,355	(10,349,928)	(1,132,000)	1,473,694
Total of funds	2,805,791	10,586,791	(10,786,888)	(1,132,000)	1,473,694

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	533,177	850,367	(830,208)	-	-	553,336
Restricted funds						
General Annual Grant (GAG)	21,865	8,675,372	(8,620,629)	-	(68,459)	8,149
Bursary grant	-			-	-	-
High needs funding	-	282,095	(282,095)	-	-	-
Pupil Premium	-	293,867	293,867	-	-	-
Pupil Premium Year 7 Catch up	-	18,754	(18,754)	-	-	-
Teachers Salaries	-	-	-	-	-	-
Mentoring Income	437	-	-	-	-	437
Science Enthuse	-	-	-	-	-	-
Salary Recharges	-	84,753	(84,753)	-	-	-
Summer School	-	77	-	-	-	77
Rates Relief	-	27,073	(26,266)	-	-	807
Schools Direct	-	4,500	(4,500)	-	-	-
Pension reserve	(2,489,000)	-	(387,000)	-	(18,000)	(2,894,000)
	(2,466,698)	9,386,491	(9,717,864)	-	(86,459)	(2,884,530)
Restricted Fixed Asset Funds						
Transfer of land and buildings	4,435,586	-	(39,193)	-	29,774	4,426,167
Devolved Formula Capital	33,734	719,467	(81,068)	-	38,685	710,818
Capital Expenditure from GAG	-			-	-	-
	4,469,320	719,467	(120,261)	-	68,459	5,136,985
Total restricted funds	2,002,622	10,105,958	(9,838,125)	-	(18,000)	2,805,791
Total of funds	2,535,799	10,956,325	(10,668,333)	-	(18,000)	2,805,791

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. STATEMENT OF FUNDS (continued)

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

General Annual Grant

The General Annual Grant (GAG) is used specifically for the normal running costs incurred in delivering the objects of the Academy as set out in the Company's Articles

High Needs Funding

High needs funding is intended to provide the most appropriate support package for an individual with special educational needs (SEN) in a range of settings, taking account of parental and student choice, whilst avoiding perverse incentives to over identify high needs pupils and students. It is also intended to support good quality alternative provision for pupils who cannot receive their education in schools.

Pupil Premium

The pupil premium is additional funding for publicly funded schools in England to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers.

Unrestricted funds are those other resources which may be used to further the objectives of the Academy and include the transfer from the predecessor school.

Restricted fixed asset funds represent the fixed assets held by the school. The expenditure relates to depreciation.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	5,332,985	5,332,985
Current assets	1,547,037	89,797	(28,900)	1,607,934
Creditors due within one year	(1,016,225)	-	-	(1,016,225)
Provisions for liabilities and charges	-	(4,451,000)	-	(4,451,000)
	<u>530,812</u>	<u>(4,361,203)</u>	<u>5,304,085</u>	<u>1,473,694</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,212,596	5,212,596
Current assets	1,567,021	9,470	(75,611)	1,500,880
Creditors due within one year	(1,013,685)	-	-	(1,013,685)
Provisions for liabilities and charges	-	(2,894,000)	-	(2,894,000)
	<u>553,336</u>	<u>(2,884,530)</u>	<u>5,136,985</u>	<u>2,805,791</u>
	-	-	5,212,596	5,212,596

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NOTES TO THE FINANCIAL STATEMENTS
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18. PENSION COMMITMENTS (continued)

18. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: The Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for nonteaching staff, which is managed by Cheshire West and Chester Council. Both are Multiemployer defined benefit pension schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,122,732- (2020 - £1,064,198).

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

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18. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2021 was £406,522 (2020 £371,186), of which employer's contributions totalled £317,572 (2020 £292,186) and employees' contributions totalled £88,892 (2020 £79,000). The agreed contribution rates for future years are 14.65% for employers and between 5.5% and 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:

	2021	2020
Discount rate for scheme liabilities	1.65%	1.7%
Rate of increase in salaries	3.60%	2.9%
Rate of increase for pensions in payment / inflation	2.90%	2.2%

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

	2021	2020
Retiring today		
Males	21.4	21.2
Females	24.0	23.6
Retiring in 20 years		
Males	22.4	21.9
Females	25.7	25.0

	At 31 August 2021	At 31 August 2020
	£	£
Sensitivity analysis		
Discount rate decrease -0.1%	242,000	927,000
Salary rate increase +0.1%	22,000	95,000
Pension rate increase +0.1%	216,000	816,000

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18. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2021 £	Fair value at 31 August 2020 £
Equities	2,421,440	1,950,300
Debt instruments	2,210,880	1,776,940
Property	526,400	433,400
Cash and other liquid assets	<u>105,280</u>	<u>173,360</u>
Total market value of assets	<u>5,264,000</u>	<u>4,334,000</u>

The actual return on scheme assets was £689,584 (2020 - £195,030).

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	7,228,000	6,419,000
Current service cost	690,000	640,000
Interest cost	129,000	122,000
Employee contributions	89,000	79,000
Actuarial (gains)/losses	1,647,000	29,000
Benefits paid	<u>(68,000)</u>	<u>(61,000)</u>
Closing defined benefit obligation	<u>9,715,000</u>	<u>7,228,000</u>

Movements in the fair value of the academy's share of scheme assets:

	2021 £	2020 £
Opening fair value of scheme assets	4,334,000	3,930,000
Interest income	76,000	74,000
Actuarial gains	515,000	11,000
Employee contributions	89,000	79,000
Benefits paid	<u>(68,000)</u>	<u>(61,000)</u>
Employer contributions	<u>318,000</u>	<u>301,000</u>
Closing fair value of scheme assets	<u>5,264,000</u>	<u>4,334,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. OPERATING LEASE COMMITMENTS

At 31 August 2021 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Other		
Amounts payable:		
Within 1 year	36,139	36,139
Between 1 and 5 years	44,910	81,134
After more than 5 years	-	-
Total	<u>81,049</u>	<u>117,273</u>
Land and Building		
Amounts payable:		
Within 1 year	155,372	155,372
Between 1 and 5 years	621,488	621,488
After more than 5 years	<u>2,641,324</u>	<u>2,796,696</u>
Total	<u>3,418,184</u>	<u>3,573,556</u>

The land and buildings lease payments relate to rental and facilities management for the new building.

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(200,097)	287,992
Adjustment for:		
Depreciation charges	67,035	39,193
Loss on disposal of assets	35,914	-
Dividends, interest and rents from investments	(760)	(452)
Decrease in debtors	127,956	(204,065)
Increase/(decrease) in creditors	2,540	306,737
Capital grants from DfE and other capital income	(90,567)	(719,467)
Defined benefit pension scheme cost less contributions payable	<u>425,000</u>	<u>387,000</u>
Net cash used in operating activities	<u>367,021</u>	<u>96,938</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank	<u>929,567</u>	<u>694,556</u>
Total	<u>929,567</u>	<u>694,556</u>

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash Flows £	Acquisition/ disposal of subsidiaries £	New finan ce lease s £	Other non- cash changes £	At 31 August 2021 £
Cash	694,556	235,011	-	-	-	929,567
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
Loans falling due within one year	-					-
Loans falling due after more than one year	-					-
Finance lease obligations	-					-
Total	<u>694,556</u>	<u>235,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>929,567</u>

23. RELATED PARTY TRANSACTIONS

Duncan Haworth is a member of the National Governor's Association. During the year a subscription fee was paid of £278 (2020: £275). The transaction was carried out at arm's length and there was no balance owing to NGA as at 31 August 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

24. 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.

25. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £11,683 and disbursed £4,468 from the fund. £7,215 remains to be distributed in 2021/22.

26. CAPITAL COMMITMENTS

	2021	2020
	£	£
Contracted for, but not provided for in the financial statements		<u>216,978</u>

All capital commitment relating to completion of the football pitch which is being funded by the Football Foundation, a local football team and Neston High School are accounted for within the accounts above. This project is still on going with completion expected in 2021/22.