

Report of the Governors and
Financial Statements
for the Year Ended 31 August 2022
for
Stretton Sugwas Church of England
Academy

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Contents of the Financial Statements
for the Year Ended 31 August 2022

	Page
Reference and Administrative Details	1 to 2
Report of the Governors	3 to 8
Governance Statement	9 to 12
Statement on Regularity, Propriety and Compliance	13
Statement of Governors' Responsibilities	14
Report of the Independent Auditors	15 to 18
Independent Accountant's Report on Regularity	19 to 21
Statement of Financial Activities	22
Balance Sheet	23 to 24
Cash Flow Statement	25
Notes to the Cash Flow Statement	26
Notes to the Financial Statements	27 to 47
Detailed Statement of Financial Activities	48 to 49

Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2022

MEMBERS:	A Campbell Revd P Brown D A Davies (resigned 1.11.21) R G Griffiths
GOVERNORS	R G Griffiths Vice Chair (resigned 5.11.21) * D A Davies Head Teacher A Campbell (resigned 5.11.21) * J Dawkins B Ford Teacher * L Sharp (resigned 23.11.21) M Groves (resigned 21.9.21) T Rafferty S L A Davies Mrs S Hicks (appointed 8.3.22) Mrs R Taylor (appointed 8.3.22)

* members of the finance and general purpose committee

SENIOR LEADERSHIP TEAM

Headteacher	D A Davies
Deputy Headteacher	B Ford
Director of Finance and Administration	V Turner

ACCOUNTING OFFICER D A Davies (Headteacher)

COMPANY NAME Stretton Sugwas Church of England Academy

REGISTERED OFFICE Stretton Sugwas
Hereford
HR4 7AE

REGISTERED COMPANY NUMBER 07718539 (England and Wales)

SENIOR STATUTORY AUDITOR Lisa Weaver FCCA

AUDITORS Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS HY Education
3 Reed House
Hunters Lane
Rochdale
OL16 1YC

Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2022

BANKERS

Lloyds Bank
6-8 High Town
Hereford
Herefordshire
HR1 2AE

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2022. The governors have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

The Trust operates an academy for pupils aged 2 to 11 in Herefordshire. It has a pupil capacity of 30 in each year group and had a roll of 155 in the school census on 1 October 2021.

OBJECTIVES AND ACTIVITIES

Objects and aims

We value our C of E status and aim to provide all pupils with a broad and balanced curriculum, with a strong Social Moral Spiritual Ethos, and a particular emphasis on a creative curriculum which the Academy conversion has given us the scope to provide. We are proud of the high standards of education that we provide our children and the outstanding quality of our talented and committed teaching staff. We aspire to build on these sound foundations, to become an exceptional school that enjoys an outstanding reputation within the local community.

Objectives, Strategies and Activities

The Governors of the school have been responsible for recruiting a number of talented members of staff, enhancing our exceptional team and giving us the capacity to develop a highly innovative and creative curriculum. We work closely with our IT provider to develop state of the art IT provision which greatly enhances our children's education. All of which has been possible due to our Academy Status. To continue to grow and develop the school the Governors built and opened a new Pre-School setting in September 2018, named 'The New-Bees'. This allowed the school to consolidate and stabilise numbers for the future, but also allowing children a more focussed and accelerated start to their learning in the Reception class, as they will have improved transition and be more familiar with the school and setting. During the academic year 20/21, the Governors extended the classroom building further to allow for two nursery/pre-school classes, along with the Reception class being sited in our Early Years Centre. The Governors made the decision to expand the school further and make it a 'single form' entry school. The waiting list for the last 8 years has demonstrated the demand on Reception places at Stretton. The growth strategy started in September 2020 and grow each class over a 7 year period to move the school from a possible 140 pupils to 210. Currently a possible 161 out of 170. Our Reception, Year 1 and Year 2 classes are full with 30 children in each.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

During the academic year 2021-2022, there was a clear strategy to build back the lost learning due to Covid-19 from the previous 2 years. Although there were no school closures during the year - there was still considerable challenges faced with staff absences and children's level of attendance through contracting the virus and isolating. However, even without these challenges we are extremely pleased with the attainment and progress of all the children across the school. KS1 results are as follows:

	Reading	Writing	Maths	Science
Expected	83%	78%	87%	100%
Greater Depth	22%	4%	22%	N/A

The academy are very pleased with these results, given the challenging nature of the last 2 years.

KS2 results are as follows:

	Reading	Writing	Maths	SPAG	Science
Expected	96%	87%	87%	96%	96%
Greater Depth	43%	30%	26%	57%	N/A

These are exceptional results and for the expected standard are considerably above the National figures.

The children in KS1 progress from the Early Years Foundation Stage at a very good rate and achieve well. Above all, the quality of our provision and the effective school ethos means that our children enjoy their education at Stretton Sugwas Church of England Academy and achieve extremely well academically.

Financial review

Principal funding sources

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2022, total expenditure of £625,553 (2021: £552,539) was covered by recurrent grant funding from the DfES together with other incoming resources. The net resources expended before transfers and revaluations for the year was £40,827 net expenditure (2021: £26,055 net income).

At 31 August 2022, the net book value of fixed assets was £1,205,313 (2021: £1,246,166) and movements in tangible fixed assets are shown in the fixed assets note in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy

The school will invest any surplus funds on deposit to ensure it maximises its return.

STRATEGIC REPORT

Financial review

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £13,962 (2021: £5,939), all of which is free reserves. The level of carried forward general annual grant is £77,663 (2021: £85,660).

Stretton Sugwas Academy trustees confirms that the current level of reserves is appropriate in going forward. The level of reserves is maintained as the school is currently going through a phase of growth and many costs will need to be protected during this. Additional monies are required for building works on a final classroom. Along with this, during the move from 6 to 7 classes, will mean lower teacher to pupil ratios (some classes operating at 1:20, rather than the desired 1:30).

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The Trustees have considered the effects of the COVID-19 Pandemic in their assessment.

Impact on the School Due to COVID-19

Although there were no lock down periods during the last academic year, the school has built back the numbers of children attending the breakfast and afterschool club, along with the pre-school numbers. During these challenging financial times the school still ensures enough income is reserved to be able to save funds for the final phase of building and extending the final classroom.

Fundraising

The school's PTFA has reformed and have managed to fund raise during the summer term of the academic year. A number of events have taken place, with the Summer Fête being the main success, raising over £1,800.

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

STRATEGIC REPORT

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually. The board of trustees has selected members operating a Finance Committee. This committee scrutinises closely the academy's accounts and information is shared on a monthly basis. The committee then reports back to the full governing board at termly intervals. An Audit Risk Committee has been set up to ensure standards are maintained and address any financial risks that are addressed as a result of the internal scrutiny. A pay and personnel committee meets annually to discuss staffing increments and promotions to ensure a fair pay system at the academy.

Future plans

Our popularity has continued to rise. As of September 2020 we have a PAN of 30 (from 20 previously), For September 2022 we admitted 30 children into our Reception class, with a waiting list of 11 children. This is the 3rd year where we have accepted 30 at entry and have had a waiting list. The school's capacity will continue to grow by 10 each year for the next 4 years, reaching a total capacity in September 2026 of 210. Currently we are 161 out of a possible 170. The build of the pre-school has helped keep these numbers high.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Company was incorporated on the 26th July 2011 and converted from a Local Authority School to an Academy Trust on the 1st April 2012.

The governors act as the trustees for the charitable activities of Stretton Sugwas Church Of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Stretton Sugwas Church Of England Academy. Through this academic year, the trustee board has conducted a skills audit to determine any areas of weakness within the board. During the year we have appointed two new governors and mindfully sought to ensure the skills set complimented the current board. Areas of finance are now significantly stronger as a result. With half termly full board meetings, along with rigorous school reports, trustees are able to scrutinise and challenge all areas effectively, including safeguarding.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report.

Members' liability

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

Governors' Indemnities

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

The liability insurance is provided by Arthur J Gallagher.

Principal activities

This is defined in the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The number of Governors shall not be less than three nor more than 11 except for appointments of any Additional Governors made by the Secretary of State.

The members may appoint up to 2 Governors.

The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

One Foundation Governors shall be The Principal Officiating Minister for the time being in the Parish of Stretton Sugwas, to be treated as an ex officio Foundation Governor. Additional Foundation Governors may be appointed by the Hereford Diocesan Board of Education after consultation with Stretton Sugwas Parochial Church Council provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not thereby exceed 25% of the total number of Governors.

The Headteacher shall be treated for all purposes as being and ex officio governor.

Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when he is elected. Any election of Parent Governors which is contested shall be held by secret ballot.

Organisational structure

The Academy has a leadership structure which consists of the governors and The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The Senior Management Team are the Headteacher, Head of School and the Finance Director. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Headteacher must countersign.

Policies and Procedures adopted for the induction and training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Conflicts of interests are discussed at each meeting. At the beginning of each academic year, all trustees reference any declarations of interests and this is filed with the clerk to governors and published on the academies website.

Key management remuneration

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

Stretton Sugwas Church of England
Academy

Report of the Governors
for the Year Ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected Organisations, including Related Party Relationships

Stretton Sugwas Church of England Academy has a connection with the Diocese of Hereford.

From 1 September 2018 D A Davies became Executive Headteacher for Burghill Community Academy and Stretton Sugwas C Of E Academy provide a financial SLA for the academy.

Additionally, from 1 September 2021 D A Davies became Executive Headteacher for Canon Pyon C of E Academy and Stretton C of E Academy provide a financial SLA for the academy.

AUDITORS

Insofar as the governors are aware:

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

Report of the Governors, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on14.11.22..... and signed on its behalf by:

.....
R G Griffiths - Governor

Stretton Sugwas Church of England
Academy

Governance Statement
for the Year Ended 31 August 2022

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors' Responsibilities. The board of governors has formally met 7 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor		Meetings Attended	Out of a Possible
R G Griffiths	Chair	6	7
A Campbell	Vice Chair	3	6
D A Davies	Head Teacher	6	6
Revd P Brown		3	6
L Sharp	Resigned 23.11.21	1	1
J Dawkins		6	6
B Ford	Teacher	5	6
M Groves	Resigned 21.09.21	0	1
T Rafferty		2	6
S Davies		5	6
R Taylor	Appointed 08.03.22	3	3
S Hicks	Appointed 08.03.22	3	3

Governance Review

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented on an annual basis

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to monitor and oversee the financial procedures of the Academy. Attendance at meetings in the year was as follows:

Governor		Meetings Attended	Out of a Possible
R G Griffiths		3	3
B Ford		3	3
A Campbell		1	3
R Taylor		1	1

- External review of governance has been made with discussions with the RSC. Each board meeting looks at the membership of the board and ensuring it satisfies what is written in the articles.

- We are currently looking at developing a MAT, therefore governance will have an external review and self evaluation in the next 12 month period.

Review of Value for Money

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

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

- Using the schools revenue budget and seeking financial assistance through charities and trusts, we raised enough funds to build our own pre-school setting which opened on 3rd September 2018. This has allowed us to extend our age range from 4-11 year olds to now 2-11 year olds. Educational outcomes from those attending the setting have improved, due to the EYFS Manager overseeing the running and transition of pupils into the Academy.
This growth continues with the planned extension of classrooms to accommodate two further classrooms over the next 7 years. Phase 1 completed - only an extension to the music room needed to allow for full capacity.
- Our broad and balanced curriculum ensures all pupils have the opportunity to raise their individual levels of attainment.
- We regularly review the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced specialists and enthusiasts.
- We bring in additional staff to target key curriculum areas, such as providing expert tuition in languages and team teaching of the PE curriculum with a sports specialist. We also provide targeted support for students as appropriate, such as individual and small group intervention with teaching assistants, along with 1:1 tuition with a teacher.
- We focus on the differing needs of every individual pupil. This is reflected in the outcomes for Service Children and FSM pupils.
- We have good tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- We have produced excellent outcomes for our FSM students ensuring the school continues to close the gap those identified. Pupil Premium monies have been allocated to optimal effect, as illustrated by the detailed breakdown on the School website.

Financial Performance

- Financial governance and oversight is strong, with appropriate members on the Governors Finance Sub- committee. Regular visits are made by the Responsible Officer to audit and ensure all financial processes are followed.
- Financial records are checked regularly and reconciled monthly to ensure value for money
- Spending proposals are costed and presented to Senior Leaders | Governors and then challenged appropriately.
- Regular budget updates are provided, which enables both short and long term budget decisions to be made appropriately.
- The Business Manager and Headteacher have been influential in driving down costs through better procurement and negotiation.
- All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our school.
- School identifies where any areas are significantly over or under spent and are thoroughly investigated and assurances provided that the spend is appropriate to our school.
- The school Tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects. A minimum of 3 quotes are obtained before spending for any major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Stretton Sugwas Church of England Academy for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors 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 governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided to use an external party to conduct internal scrutiny work.

The internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems as described above. They regularly report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' 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 Internal Reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

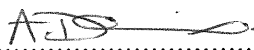
Stretton Sugwas Church of England
Academy

Governance Statement
for the Year Ended 31 August 2022

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

Approved by order of the members of the board of trustees on ...14/12/22..... and signed on its behalf by:


.....
R G Griffiths - Governor


.....
Alex Davies - Accounting Officer

Stretton Sugwas Church of England
Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2022

As accounting officer of Stretton Sugwas Church of England Academy I have considered my responsibility to notify the academy board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academy Trust Handbook 2021.

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 governors and ESFA.

..... 

Alex Davies - Accounting Officer

Date: 14/12/22

Stretton Sugwas Church of England Academy

Statement of Governors' Responsibilities
for the Year Ended 31 August 2022

The governors (who act as trustees of Stretton Sugwas Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies 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 governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 to 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 governors 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the governors are aware:

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

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 on14/12/22..... and signed on its behalf by:

.....
R G Griffiths - Governor

Opinion

We have audited the financial statements of Stretton Sugwas Church of England Academy (the 'academy') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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 governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

We have nothing to report in respect of the following matters where 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; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Trust Handbook 2021, the Academies Accounts Direction 2022, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Stretton Sugwas Church of England
Academy

Use of our report

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



Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:21/12/22.....

Independent Reporting Accountant's Assurance Report on Regularity to
Stretton Sugwas Church of England
Academy
and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stretton Sugwas Church of England Academy during the period 1 September 2021 to 31 August 2022 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 Stretton Sugwas Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stretton Sugwas Church of England Academy and the 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 Stretton Sugwas Church of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stretton Sugwas Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stretton Sugwas Church of England Academy's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 issued by the 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 conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stretton Sugwas Church of England Academy during the period 1 September 2021 to 31 August 2022 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 Stretton Sugwas Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stretton Sugwas Church of England Academy and the 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 Stretton Sugwas Church of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stretton Sugwas Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stretton Sugwas Church of England Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 issued by the 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 charitable company's income and expenditure.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended.
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters.

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Independent Reporting Accountant's Assurance Report on Regularity to
Stretton Sugwas Church of England
Academy
and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Thorne Widgery

Thorne Widgery Accountancy Ltd
Chartered Accountants
Reporting Accountant
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:21/12/22.....

Stretton Sugwas Church of England
Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2022

				31.8.22	31.8.21	
	Notes	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	20	5,797	17,610	23,427	35,614
Charitable activities						
Funding for the academy's educational operations	3	-	-	883,597	883,597	802,778
Other trading activities	4	41,283	-	148,112	189,395	110,253
Investment income	5	12	-	-	12	21
Total		41,315	5,797	1,049,319	1,096,431	948,666
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	7	47,730	46,650	1,134,878	1,229,258	977,612
Total		47,730	46,650	1,134,878	1,229,258	977,612
NET INCOME/(EXPENDITURE)						
Transfers between funds	16	(6,415) 14,439	(40,853) -	(85,559) (14,439)	(132,827) -	(28,946) -
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	573,000	573,000	(71,000)
Net movement in funds		8,024	(40,853)	473,002	440,173	(99,946)
RECONCILIATION OF FUNDS						
Total funds brought forward		5,939	1,246,166	(557,341)	694,764	794,710
TOTAL FUNDS CARRIED FORWARD		13,963	1,205,313	(84,339)	1,134,937	694,764

The notes form part of these financial statements

Stretton Sugwas Church of England
Academy (Registered number: 07718539)

Balance Sheet
31 August 2022

	Notes	31.8.22 £	31.8.21 £
FIXED ASSETS			
Tangible assets	12	1,205,313	1,246,166
CURRENT ASSETS			
Debtors	13	38,408	73,158
Cash at bank and in hand		113,869	101,819
		<u>152,277</u>	<u>174,977</u>
CREDITORS			
Amounts falling due within one year	14	(60,653)	(83,379)
		<u>91,624</u>	<u>91,598</u>
NET CURRENT ASSETS			
		<u>91,624</u>	<u>91,598</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,296,937	1,337,764
PENSION LIABILITY	17	(162,000)	(643,000)
		<u>1,134,937</u>	<u>694,764</u>
NET ASSETS		<u>1,134,937</u>	<u>694,764</u>
FUNDS	16		
Restricted funds:			
General Annual Grant		77,663	85,660
Restricted Pension Fund		(162,000)	(643,000)
Other Restricted		(1)	(1)
DfE/YPLA Capital Grants		253,110	256,357
FA - Conversion and Depreciation		516,667	524,667
FA - Expenditure from GAG		78,557	87,130
FA - Other Sources		356,979	378,012
		<u>1,120,975</u>	<u>688,825</u>
Unrestricted funds:			
Unrestricted Fund		18,444	12,304
Unrestricted Club Stretton Fund		(18,921)	(6,365)
Unrestricted Pre School		14,439	-
		<u>13,962</u>	<u>5,939</u>
TOTAL FUNDS		<u>1,134,937</u>	<u>694,764</u>

The notes form part of these financial statements

Balance Sheet - continued
31 August 2022

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors and authorised for issue on14/12/22..... and were signed on its behalf by:

.....
R G Griffiths - Governor

Stretton Sugwas Church of England
Academy

Cash Flow Statement
for the Year Ended 31 August 2022

	Notes	31.8.22 £	31.8.21 £
Cash flows from operating activities			
Cash generated from operations	1	10,142	62,358
Net cash provided by operating activities		<u>10,142</u>	<u>62,358</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,900)	(203,500)
Capital grants from DfE/EFA		5,796	5,553
Interest received		12	21
Net cash provided by/(used in) investing activities		<u>1,908</u>	<u>(197,926)</u>
Change in cash and cash equivalents in the reporting period		<u>12,050</u>	<u>(135,568)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>101,819</u>	<u>237,387</u>
Cash and cash equivalents at the end of the reporting period		<u><u>113,869</u></u>	<u><u>101,819</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	31.8.22	31.8.21
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(132,827)	(28,946)
Adjustments for:		
Depreciation charges	44,754	37,364
Capital grants from DfE/ESFA	(5,796)	(5,553)
Interest received	(12)	(21)
Decrease/(increase) in debtors	34,750	(33,757)
(Decrease)/increase in creditors	(22,727)	38,271
Difference between pension charge and cash contributions	92,000	55,000
	<u>10,142</u>	<u>62,358</u>
Net cash provided by operations	<u>10,142</u>	<u>62,358</u>

2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank and in hand	101,819	12,050	113,869
	<u>101,819</u>	<u>12,050</u>	<u>113,869</u>
	<u>101,819</u>	<u>12,050</u>	<u>113,869</u>
Total	<u>101,819</u>	<u>12,050</u>	<u>113,869</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2021 to 2022 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Stretton Sugwas Church of England Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The governors 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 Company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of the ongoing pandemic & current economic climate on the future finances of the academy.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £13,962 (2021: £5,939) all of which is free reserves. The level of carried forward general annual grant is £77,663 (2021: £85,660).

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue as a going concern.

The Trustee's assessment that is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding, during this period; and
- c) income is received in line with the forecast

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

1. ACCOUNTING POLICIES - continued

Grants

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

Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	2% on cost
---------------------	------------

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Property improvements	5% on cost
Fixtures and fittings	15 to 20% on cost
Motor vehicles	20% on cost
Computer equipment	33.3% on cost

Assets in the course of construction are included at cost. Depreciation of these assets is not charged until they are brought into use.

Included within long leasehold is land and buildings that the school occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

1. ACCOUNTING POLICIES - continued

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

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

The LGPS is a funded 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

The annual valuation at the year end has taken into account the effects of the McCloud judgement.

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

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which will come into effect from 1 April 2023.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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 the notes to the accounts, 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 2022. 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 £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Other grants and payments	20	4,411	4,431	23,465
Capital Grants	-	5,796	5,796	5,553
School trips etc	-	13,200	13,200	6,596
	<u>20</u>	<u>23,407</u>	<u>23,427</u>	<u>35,614</u>

All of the figures included in the comparatives related to restricted funds.

Grants received, included in the above, are as follows:

	31.8.22 £	31.8.21 £
Capital Grant	<u>5,796</u>	<u>5,553</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	747,931	747,931	562,432
Other DfE/ESFA grants				
Other DfE/ESFA Grants	-	-	-	3,558
Universal infant free school meals	-	27,910	27,910	25,787
Pupil premium	-	28,525	28,525	31,538
Teachers' pay	-	1,618	1,618	7,174
Teachers' pension	-	4,573	4,573	20,359
PE and sports	-	17,110	17,110	17,180
Other	-	6,266	6,266	750
Supplementary Grant	-	8,289	8,289	-
	-	842,222	842,222	668,778
Other Government grants				
Special Educational Projects	-	39,375	39,375	34,019
Nursery Educational Funding	-	-	-	86,582
	-	39,375	39,375	120,601
COVID-19 additional funding (DfE/ESFA)s				
Other DfE/ESFA COVID-19 funding	-	-	-	4,800
Catch-up premium	-	2,000	2,000	6,720
	-	41,375	41,375	132,121
COVID-19 additional funding (non-DfE/ESFA)				
Other Covid	-	-	-	1,879
	-	883,597	883,597	802,778

2022

The academy received £2,000 of funding for recovery premium and costs incurred in respect of this funding totalled £2,000.

2021

- The academy received £7k of funding for catch-up premium and costs incurred in respect of this funding totalled £7k
- The academy received £7k of funding from the ESFA and Local Authority for coronavirus emergency support which covers £7k of staff costs and educational supplies. These costs are included in notes 6 and 7 below as appropriate.

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Education	-	753,221	753,221	716,196
Nursery	-	130,375	130,375	86,582

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

-	883,596	883,596	802,778
<u> </u>	<u> </u>	<u> </u>	<u> </u>

All of the figures included in the comparatives related to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Room and building hire	2,880	-	2,880	-
Income from other schools	-	95,518	95,518	52,240
Other	38,403	52,594	90,997	58,013
	<u>41,283</u>	<u>148,112</u>	<u>189,395</u>	<u>110,253</u>

The comparatives include unrestricted funds of £22,095 and restricted funds of £88,158 giving a total of £110,253.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Short term deposits	12	-	12	21
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

	Non-pay expenditure			31.8.22	31.8.21
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	711,237	14,221	220,821	946,279	714,933
Allocated support costs	151,043	74,188	57,748	282,979	262,679
	<u>862,280</u>	<u>88,409</u>	<u>278,569</u>	<u>1,229,258</u>	<u>977,612</u>

6. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	31.8.22	31.8.21
	£	£
Auditors' remuneration	7,185	6,850
Auditors' remuneration for non audit work	265	240
Depreciation - owned assets	44,753	37,363
Operating leases	2,904	1,905
	<u> </u>	<u> </u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	31.8.22	31.8.21
	Total	Total
	funds	funds
	£	£
	Unrestricted	Restricted
	funds	funds
	£	£
Direct costs	2,320	943,959
Support costs	45,410	237,569
	<u> </u>	<u> </u>
	47,730	1,181,528
	<u> </u>	<u> </u>

	31.8.22	31.8.21
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	151,043	148,190
Depreciation	6,046	7,983
Administrative supplies	8,252	10,064
Premises costs	74,188	62,525
Other support costs	36,000	26,827
Governance costs	7,450	7,090
	<u> </u>	<u> </u>
Total support costs	282,979	262,679
	<u> </u>	<u> </u>

The comparatives include unrestricted funds of £35,131 and restricted funds of £942,481 making up the total of £977,612.

8. STAFF COSTS

	31.8.22	31.8.21
	£	£
Wages and salaries	661,572	548,854
Social security costs	48,301	39,801
Operating costs of defined benefit pension schemes	148,166	126,619
	<u> </u>	<u> </u>
	858,039	715,274
Supply teacher costs	4,241	-
	<u> </u>	<u> </u>
	862,280	715,274
	<u> </u>	<u> </u>

8. STAFF COSTS - continued

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	31.8.22	31.8.21
Teachers	7	7
Administration and support	28	22
Management	2	2
	<u>37</u>	<u>31</u>

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

	31.8.22	31.8.21
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions received by key management personnel for their services to the academy trust was £227,505 (2021: £227,621).

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION 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 staff members under their contracts of employment.

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

A Davies (Headteacher):		
Remuneration £85,000 - £90,000		(2021: £75,000 - £80,000)
Employer's pension contribution £15,000 - £20,000		(2021: £15,000 - £20,000)
B Ford (staff governor):		
Remuneration £40,000 - £45,000		(2021: £45,000 - £50,000)
Employer's pension contribution £10,000 - £15,000		(2021: £5,000 - £10,000)

Other related party transactions involving the trustees are set out in the notes to the financial statements.

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	20,053	15,561	35,614
Charitable activities				
Funding for the academy's educational operations	-	-	802,778	802,778
Other trading activities	22,095	-	88,158	110,253
Investment income	21	-	-	21
Total	<u>22,116</u>	<u>20,053</u>	<u>906,497</u>	<u>948,666</u>
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	35,131	37,364	905,117	977,612
Total	<u>35,131</u>	<u>37,364</u>	<u>905,117</u>	<u>977,612</u>
NET INCOME/(EXPENDITURE)	(13,015)	(17,311)	1,380	(28,946)
Transfers between funds	(69,103)	183,447	(114,344)	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	-	(71,000)	(71,000)
Net movement in funds	<u>(82,118)</u>	<u>166,136</u>	<u>(183,964)</u>	<u>(99,946)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	88,056	1,080,030	(373,376)	794,710
TOTAL FUNDS CARRIED FORWARD	<u><u>5,938</u></u>	<u><u>1,246,166</u></u>	<u><u>(557,340)</u></u>	<u><u>694,764</u></u>

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 1 September 2021	911,046	489,727	36,508
Additions	-	-	-
At 31 August 2022	911,046	489,727	36,508
DEPRECIATION			
At 1 September 2021	118,369	50,088	24,394
Charge for year	14,221	24,487	3,368
At 31 August 2022	132,590	74,575	27,762
NET BOOK VALUE			
At 31 August 2022	778,456	415,152	8,746
At 31 August 2021	792,677	439,639	12,114
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2021	26,300	93,889	1,557,470
Additions	-	3,900	3,900
At 31 August 2022	26,300	97,789	1,561,370
DEPRECIATION			
At 1 September 2021	26,300	92,153	311,304
Charge for year	-	2,677	44,753
At 31 August 2022	26,300	94,830	356,057
NET BOOK VALUE			
At 31 August 2022	-	2,959	1,205,313
At 31 August 2021	-	1,736	1,246,166

Included within long leasehold is land and buildings that the school occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

Included within long leasehold is non-depreciated land with a value of £200,000.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.8.22	31.8.21
	£	£
Trade debtors	5,798	797
Other debtors	928	928
VAT	2,828	34,836
Prepayments and accrued income	28,854	36,597
	<u>38,408</u>	<u>73,158</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.8.22	31.8.21
	£	£
Trade creditors	12,380	42,396
Social security and other taxes	27,387	25,279
Deferred income	20,120	15,043
Accrued expenses	766	661
	<u>60,653</u>	<u>83,379</u>
		£
Deferred Income at 1 September 2021		15,043
Resources deferred in the year		20,120
Amounts released from previous years		(15,043)
		<u>20,120</u>

At the balance sheet date the Academy Trust was holding funds received in advance in relation to Free School meals income and Rates Relief, which relate to the next financial year.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS				31.8.22
	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	1,205,313	-	1,205,313
Current assets	14,073	-	138,204	152,277
Current liabilities	(111)	-	(60,542)	(60,653)
Pension liability	-	-	(162,000)	(162,000)
	<u>13,962</u>	<u>1,205,313</u>	<u>(84,338)</u>	<u>1,134,937</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

		Restricted		31.8.21
	Unrestricted	Fixed	Restricted	Total
	Fund	Asset	General	funds
	£	Fund	Fund	£
		£	£	
Fixed assets	-	1,246,166	-	1,246,166
Current assets	5,939	22,200	146,838	174,977
Current liabilities	-	(22,200)	(61,179)	(83,379)
Pension liability	-	-	(643,000)	(643,000)
	<u>5,939</u>	<u>1,246,166</u>	<u>(557,341)</u>	<u>694,764</u>

16. MOVEMENT IN FUNDS

	At 1.9.21	Net	Transfers	At
	£	movement	between	31.8.22
		in funds	funds	£
		£	£	
Restricted general funds				
General Annual Grant	85,660	(7,997)	-	77,663
Restricted Pension Fund	(643,000)	481,000	-	(162,000)
Other Restricted	(1)	14,439	(14,439)	(1)
DfE/YPLA Capital Grants	256,357	(3,247)	-	253,110
FA - Conversion and Depreciation	524,667	(8,000)	-	516,667
FA - Expenditure from GAG	87,130	(8,573)	-	78,557
FA - Other Sources	378,012	(21,033)	-	356,979
	<u>688,825</u>	<u>446,589</u>	<u>(14,439)</u>	<u>1,120,975</u>
Unrestricted funds				
Unrestricted Fund	12,304	6,140	-	18,444
Unrestricted Club Stretton Fund	(6,365)	(12,556)	-	(18,921)
Unrestricted Pre School	-	-	14,439	14,439
	<u>5,939</u>	<u>(6,416)</u>	<u>14,439</u>	<u>13,962</u>
TOTAL FUNDS	<u>694,764</u>	<u>440,173</u>	<u>-</u>	<u>1,134,937</u>

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	617,553	(625,550)	-	(7,997)
Restricted Pension Fund	-	(92,000)	573,000	481,000
Other Restricted	335,475	(321,036)	-	14,439
Other Dfe/ESFA Grants	14,555	(14,555)	-	-
Dfe/YPLA Capital Grants	5,797	(9,044)	-	(3,247)
FA - Conversion and Depreciation	-	(8,000)	-	(8,000)
FA - Expenditure from GAG	-	(8,573)	-	(8,573)
FA - Other Sources	-	(21,033)	-	(21,033)
Other Dfe/ESFA - UIFSM	27,910	(27,910)	-	-
Other Dfe/ESFA - Pupil premium	28,525	(28,525)	-	-
Other Dfe/ESFA - Teachers' Pay	1,618	(1,618)	-	-
Other Dfe/ESFA - Teachers' Pension	4,573	(4,573)	-	-
Other Dfe/ESFA - PE and Sports	17,110	(17,110)	-	-
Other Dfe/ESFA - Catch-up premium	2,000	(2,000)	-	-
	<u>1,055,116</u>	<u>(1,181,527)</u>	<u>573,000</u>	<u>446,589</u>
Unrestricted funds				
Unrestricted Fund	6,140	-	-	6,140
Unrestricted Club Stretton Fund	35,175	(47,731)	-	(12,556)
	<u>41,315</u>	<u>(47,731)</u>	<u>-</u>	<u>(6,416)</u>
TOTAL FUNDS	<u><u>1,096,431</u></u>	<u><u>(1,229,258)</u></u>	<u><u>573,000</u></u>	<u><u>440,173</u></u>

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Restricted general funds				
General Annual Grant	143,624	9,894	(67,858)	85,660
Restricted Pension Fund	(517,000)	(126,000)	-	(643,000)
Other Restricted	-	46,485	(46,486)	(1)
DfE/YPLA Capital Grants	262,313	(403)	(5,553)	256,357
FA - Conversion and Depreciation	532,667	(8,000)	-	524,667
FA - Expenditure from GAG	97,885	(10,755)	-	87,130
FA - Other Sources	187,165	1,847	189,000	378,012
	<u>706,654</u>	<u>(86,932)</u>	<u>69,103</u>	<u>688,825</u>
Unrestricted funds				
Unrestricted Fund	10,284	2,020	-	12,304
Unrestricted Club Stretton Fund	8,669	(15,034)	-	(6,365)
Unrestricted Pre School	69,103	-	(69,103)	-
	<u>88,056</u>	<u>(13,014)</u>	<u>(69,103)</u>	<u>5,939</u>
TOTAL FUNDS	<u>794,710</u>	<u>(99,946)</u>	<u>-</u>	<u>694,764</u>

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	562,433	(552,539)	-	9,894
Restricted Pension Fund	-	(55,000)	(71,000)	(126,000)
Other Restricted	224,320	(177,835)	-	46,485
Other Dfe/ESFA Grants	4,308	(4,308)	-	-
Dfe/YPLA Capital Grants	5,553	(5,956)	-	(403)
FA - Conversion and Depreciation	-	(8,000)	-	(8,000)
FA - Expenditure from GAG	-	(10,755)	-	(10,755)
FA - Other Sources	14,500	(12,653)	-	1,847
Other Dfe/ESFA - UIFSM	25,787	(25,787)	-	-
Other Dfe/ESFA - Pupil premium	31,538	(31,538)	-	-
Other Dfe/ESFA - Teachers' Pay	7,174	(7,174)	-	-
Other Dfe/ESFA - Teachers' Pension	20,359	(20,359)	-	-
Other Dfe/ESFA - PE and Sports	17,179	(17,179)	-	-
Other Dfe/ESFA - Catch-up premium	6,720	(6,720)	-	-
Other Dfe/ESFA COVID-19 funding	4,800	(4,800)	-	-
Other Covid-19 funding	1,879	(1,879)	-	-
	<u>926,550</u>	<u>(942,482)</u>	<u>(71,000)</u>	<u>(86,932)</u>
Unrestricted funds				
Unrestricted Fund	2,020	-	-	2,020
Unrestricted Club Stretton Fund	20,096	(35,130)	-	(15,034)
	<u>22,116</u>	<u>(35,130)</u>	<u>-</u>	<u>(13,014)</u>
TOTAL FUNDS	<u>948,666</u>	<u>(977,612)</u>	<u>(71,000)</u>	<u>(99,946)</u>

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the GAG that it could carry forward at the year end.
- Other Dfe/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants received from the ESFA and other establishments, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.
- Unrestricted Club Stretton Funds: all income and expenses in relation to Club Stretton.
- Unrestricted Pre School: surplus income in relation to the running of the Pre School.

Transfers between funds relate to surplus income relating to running of the pre-school.

17. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £13,750 were payable to the schemes at 31 August 2022 (2021 - £13,081) and are included within creditors.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £74,660 (2021 - £64,780).

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

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

Local government pension scheme

17. PENSION AND SIMILAR OBLIGATIONS - continued

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £77,388 (2021: £63,330), of which employer's contributions totalled £59,603 (2021: £48,428) and employees' contributions totalled £17,785 (2021: £14,902). The agreed contribution rates for future years are 18.0% 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As the scheme is in deficit, the academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable will be the Future Service Rate of 18.0% of payroll plus phased lump sum deficit contributions which will be £14,000 for 2021/22 and 2022/23. The rate payable from 1 April 2023 will be further revised following the valuation of the Pension Fund on 31 March 2022.

The current estimated recovery period is 9 years.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which will come into effect from 1 April 2023.

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Present value of funded obligations	(764,000)	(1,130,000)
Fair value of plan assets	602,000	487,000
	<u>(162,000)</u>	<u>(643,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(162,000)</u>	<u>(643,000)</u>
Net liability	<u><u>(162,000)</u></u>	<u><u>(643,000)</u></u>

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

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Current service cost	154,000	107,000
Net interest from net defined benefit asset/liability	11,000	9,000
Past service cost	-	-
	<u>165,000</u>	<u>116,000</u>
Actual return on plan assets	<u><u>(13,000)</u></u>	<u><u>70,000</u></u>

17. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening defined benefit obligation	1,130,000	858,000
Current service cost	154,000	107,000
Contributions by scheme participants	18,000	15,000
Interest cost	20,000	16,000
Actuarial losses/(gains)	(595,000)	134,000
Benefits paid	37,000	-
	<u>764,000</u>	<u>1,130,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening fair value of scheme assets	487,000	341,000
Contributions by employer	74,000	62,000
Contributions by scheme participants	18,000	15,000
Expected return	9,000	7,000
Actuarial gains/(losses)	(22,000)	63,000
Benefits paid	37,000	-
Assets administration expenses	(1,000)	(1,000)
	<u>602,000</u>	<u>487,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Actuarial gains/(losses)	<u>573,000</u>	<u>(71,000)</u>
	<u>573,000</u>	<u>(71,000)</u>

17. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Equities	442,000	406,000
Bonds - Other	16,000	-
Property	50,000	21,000
Cash/liquidity	11,000	12,000
Other	83,000	48,000
	<u>602,000</u>	<u>487,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.22	31.8.21
Discount rate	4.30%	1.70%
Future salary increases	4.30%	4.30%
Future pension increases	2.90%	2.90%
Inflation assumption (CPI)	2.80%	2.80%

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

Retiring today		
Males	22.6	22.7
Females	25	25.1
Retiring in 20 years		
Males	24.1	24.4
Females	27	27.1

Sensitivity analysis	31.8.22	31.8.21
	£	£
Discount rate +0.1%	(18,000)	(27,000)
Discount rate -0.1%	18,000	28,000
Mortality assumption - 1 year increase	15,000	35,000
Mortality assumption - 1 year decrease	(15,000)	(34,000)
CPI rate +0.1%	18,000	28,000
CPI rate -0.1%	(18,000)	(27,000)

18. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

19. CAPITAL COMMITMENTS

	31.8.22	31.8.21
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

20. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.22	31.8.21
	£	£
Within one year	2,904	1,905
Between one and five years	11,618	7,620
In more than five years	15,974	12,383
	<u> </u>	<u> </u>
	<u>30,496</u>	<u>21,908</u>

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust have an interest. The following related party transactions took place in the financial period.

Burghill Community Academy - an academy which DA Davies (Head Teacher) is a Governor (and Executive Head Teacher) from 01.09.18

- During the year income of £67,876 (2021: £50,814) was received from Burghill Community Academy
- During the year expenditure of £759 (2021: £nil) was paid to Burghill Community Academy
- The above income and expenditure related to recharges of services and expenditure all in the normal course of business
- At the year end there was £3,917 owed to the Academy (2021: £8,000 owed to the Academy from Burghill Community Academy).
- In entering into the transactions the academy has complied with the requirements of the Academies Trust Handbook 2021
- The element above £2,500 has been provided 'at no more than cost'

Canon Pyon Academy - an academy which DA Davies (Head Teacher) is a Governor (and Executive Head Teacher) from 01.09.21

- During the year income of £31,060 (2021: N/A) was received from Canon Pyon Academy
- During the year expenditure of £759 (2021: N/A) was paid to Canon Pyon Academy
- The above income and expenditure related to recharges of services and expenditure all in the normal course of business
- At the year end there was £212 owed to the Academy (2021: N/A owed to the Academy from Canon Pyon Academy).
- In entering into the transactions the academy has complied with the requirements of the Academies Trust Handbook 2021
- The element above £2,500 has been provided 'at no more than cost'

Stretton Sugwas Church of England
Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2022

	31.8.22 £	31.8.21 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Other grants and payments	4,431	23,465
Capital Grants	5,796	5,553
School trips etc	13,200	6,596
	<hr/>	<hr/>
	23,427	35,614
Other trading activities		
Room and building hire	2,880	-
Income from other schools	95,518	52,240
Other	90,997	58,013
	<hr/>	<hr/>
	189,395	110,253
Investment income		
Short term deposits	12	21
Charitable activities		
Grants	883,597	802,778
	<hr/>	<hr/>
Total incoming resources	1,096,431	948,666
EXPENDITURE		
Charitable activities		
Wages	549,876	440,030
Social security	40,146	31,260
Pensions	116,974	95,794
Supply teacher costs	4,241	-
Educational supplies	97,101	55,085
Staff development	7,233	8,383
Long leasehold	14,221	14,221
Improvements to property	24,487	15,160
Interest on pension scheme liabilities	92,000	55,000
	<hr/>	<hr/>
	946,279	714,933
Support costs		
Management		
Wages	111,696	108,824
Social security	8,155	8,541
Pensions	31,192	30,825
Administrative supplies	8,252	10,064
Maintenance of premises and equipment	26,157	18,191
Cleaning	23,644	23,247
Rent and rates	8,165	7,230
Energy costs	8,045	6,563
Carried forward	225,306	213,485

This page does not form part of the statutory financial statements

Stretton Sugwas Church of England
Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2022

	31.8.22	31.8.21
	£	£
Management		
Brought forward	225,306	213,485
Insurance	8,177	7,294
Catering	20,378	14,883
Fixtures and fittings	3,368	3,750
Computer equipment	2,678	4,233
Other costs	15,622	11,944
	<hr/>	<hr/>
	275,529	255,589
Governance costs		
Auditors' remuneration	7,185	6,850
Auditors' remuneration for non audit work	265	240
	<hr/>	<hr/>
	7,450	7,090
Total resources expended	<hr/>	<hr/>
	1,229,258	977,612
Net expenditure	<hr/>	<hr/>
	(132,827)	(28,946)

This page does not form part of the statutory financial statements

