

Report of the Governors and
Financial Statements
for the Year Ended 31 August 2021
for
Stretton Sugwas Church of England
Academy

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

Stretton Sugwas Church of England
Academy

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for the Year Ended 31 August 2021

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Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2021

MEMBERS:
Revd P Brown
D A Davies
R G Griffiths
S R Williams (deceased 18.11.20) (resigned 18.11.20)

GOVERNORS
S R Williams Chairman (deceased 18.11.20)
R G Griffiths Vice Chair *
D A Davies Head Teacher
A Campbell *
J Dawkins
B Ford Teacher *
L Sharp
Revd P Brown
M Groves
T Rafferty
S L A Davies (appointed 11.5.21)

* members of the finance and general purpose committee

SENIOR LEADERSHIP TEAM

Headteacher D A Davies
Deputy Headteacher B Ford
Director of Finance and Administration R Lovell (until 31.08.21)

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 Mr Kevin M Tong FCCA, ACA

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

Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2021

SOLICITORS

Coodes Solicitors
Elizabeth House
Castle Street
Truro
Cornwall
TR1 3AP

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 2021. 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 will 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 have extended the classroom building to allow for two nursery/pre-school classes. 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 157 out of 160.

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 2020-2021 it has continued to be difficult to comment on the performance of year groups due to the Covid-19 pandemic. However the previous years attainment for KS1 has continued to be strong and inline or above National in the majority of areas. This is also the case for KS2, as all standards are above National. The progress across all subject areas from KS1 to KS2 has increased from last year's results. The children in KS1 progress from the Early Years Foundation Stage at a very good rate and achieve well. Also for the EYFS the number of children achieving a 'Good level of Development' was above National figures. Above all the quality of our provision and the effective school ethos mean that our children enjoy their education at Stretton Sugwas Church of England Academy.

STRATEGIC REPORT

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 2021 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 2021, total expenditure of £552,539 (2020: £504,051) 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 £26,055 net income (2020: £9,480 net income).

At 31 August 2021, the net book value of fixed assets was £1,246,166 (2020: £1,080,029) 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.

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 £5,939 (2020: £88,056), all of which is free reserves. The level of general restricted reserves is £85,660 (2020: £143,624).

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 moneys are required for building works on a final classroom. Along with this, some classes during the move from 5 to 6 and then eventually 7 classes, will mean lower teacher to pupil ratios (some classes operating at 1:20, rather than the desired 1:30).

STRATEGIC REPORT

Financial review

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

Due to the COVID-19 outbreak Stretton Sugwas C of E Academy closed for all year groups on 1 January 2021, resulting in an unprecedented disruption to the education of the pupils. Staff were unable to carry out their normal activities to support children's learning, wellbeing. The school resorted to using high quality remote education with the use of Microsoft Teams, ensuring and allowing all children to receive as high an education as possible.

Formal assessment, including national assessments, were cancelled during the school year 2020/21. Primary school performance measures will therefore not be published for the 2020/21 academic year.

During the lockdown periods, self-generated income from the pre-school and breakfast and after school clubs stopped, however ongoing expenditure continued, along with additional costs including, but not limited to cleaning and cleaning materials. The school received reimbursement for the some of the additional expenditure incurred in the form of a Coronavirus Emergency Support Grant, and also received furlough grants for the pre-school and clubs staff wages.

During these challenging financial times the school still ensured enough income was reserved to be able to extend the pre-school and add an additional 2 classrooms. This opened in September 2021.

Stretton Sugwas CofE Academy Catch up Funding 2020-2021

Covid-19 Catch-up premium has been invaluable in supporting the academic needs of the children in school. The majority of the money spent at Stretton Sugwas Academy was used to fund small group, teacher led tutor groups to all year groups. This happened after school as to not impact curriculum time. Additional Teaching Assistant hours were also used to support learners in the classroom.

For further information regarding the spend on Covid catch up premium, please view the document published on the academy website.

Fundraising

No significant fundraising activities carried out during the year.

STRATEGIC REPORT

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

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.

Future plans

Our popularity has continued to rise. As of September 2020 we have a PAN of 30 (from 20 previously), For September 2021 we admitted 30 children into our Reception class, with a waiting list of 6 children. The school's capacity will grow by 10 each year for the next 7 years, reaching a total capacity in September 2027 of 210. Currently we are 157 out of a possible 160. The build of the pre-school has helped keep these number 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.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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, 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 Principal must countersign.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Key management remuneration

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

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, on 17th December 2021 and signed on its behalf by:


.....
R G Griffiths - Governor

Stretton Sugwas Church of England Academy

Governance Statement
for the Year Ended 31 August 2021

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 the 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
S R Williams (Chairman)	(Deceased 18.11.20)	0	1
R G Griffiths (Vice Chair)	(Chair from 08.12.20)	7	7
D A Davies (Head Teacher)		7	7
Revd P Brown		6	7
	(Vice Chair from		
A Campbell	08.12.20)	6	7
L Sharp		4	7
J Dawkins		6	7
C McDougal	(Resigned 07.07.20)	0	0
B Ford (Teacher)		7	7
M Groves		4	7
T Rafferty		4	7
S Davies	(Appointed 11.05.21)	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	2	2
B Ford	2	2
A Campbell	2	2

- 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 currently have a vacancy which is due to be filled imminently, once elected at the next meeting.
- We are currently looking at developing a MAT, therefore governance will have an external review and self evaluation in the next 12 month period.

Governance Statement
for the Year Ended 31 August 2021

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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 appoint an Internal Reviewer, Nicki Emmett.

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

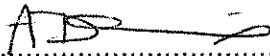
Governance Statement
for the Year Ended 31 August 2021

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 17th December 2021..... and signed on its behalf by:



.....
R G Griffiths - Governor



.....
Alex Davies - Accounting Officer

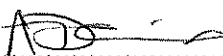
Stretton Sugwas Church of England
Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2021

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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

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


.....
Alex Davies - Accounting Officer

Date: ..17th..December..2021.....

Stretton Sugwas Church of England
Academy

Statement of Governors' Responsibilities
for the Year Ended 31 August 2021

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 2020 to 2021;
- 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 on 17th December 2021 and signed on its behalf by:


.....
R G Griffiths - Governor

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

Opinion

We have audited the financial statements of Stretton Sugwas Church of England Academy (the 'academy') for the year ended 31 August 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2020 to 2021.

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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Trustees' Report and the Accounting Policies.

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.

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

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.

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

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 Financial Handbook 2020, the Academies Accounts Direction 2021, 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.



Mr Kevin M Tong FCCA, ACA (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: 20th December 2021.....

Note:

The maintenance and integrity of the Stretton Sugwas Church of England Academy website is the responsibility of the governors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: ...20~~20~~ December 2021....

Stretton Sugwas Church of England
Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2021

					31.8.21	31.8.20
		Unrestricted	Restricted	Restricted	Total	Total
	Notes	Fund	Fixed	General	funds	funds
		£	Asset	Fund	£	£
			Fund	£		
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	20,053	15,561	35,614	20,610
Charitable activities						
Funding for the academy's educational operations	3	-	-	802,778	802,778	826,601
Other trading activities	4	22,095	-	88,158	110,253	88,333
Investment income	5	21	-	-	21	85
Total		<u>22,116</u>	<u>20,053</u>	<u>906,497</u>	<u>948,666</u>	<u>935,629</u>
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	3	35,131	37,364	905,117	977,612	926,149
Total	6	<u>35,131</u>	<u>37,364</u>	<u>905,117</u>	<u>977,612</u>	<u>926,149</u>
NET INCOME/(EXPENDITURE)		<u>(13,015)</u>	<u>(17,311)</u>	<u>1,380</u>	<u>(28,946)</u>	<u>9,480</u>
Transfers between funds	16	<u>(69,103)</u>	<u>183,447</u>	<u>(114,344)</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>-</u>	<u>(71,000)</u>	<u>(71,000)</u>	<u>(33,000)</u>
Net movement in funds		<u>(82,118)</u>	<u>166,136</u>	<u>(183,964)</u>	<u>(99,946)</u>	<u>(23,520)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>88,056</u>	<u>1,080,030</u>	<u>(373,376)</u>	<u>794,710</u>	<u>818,230</u>
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>	<u><u>794,710</u></u>

The notes form part of these financial statements

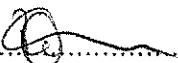
Stretton Sugwas Church of England
Academy (Registered number: 07718539)

Balance Sheet
31 August 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	12	1,246,166	1,080,029
CURRENT ASSETS			
Debtors	13	73,158	39,402
Cash at bank and in hand		101,819	237,387
		<u>174,977</u>	<u>276,789</u>
CREDITORS			
Amounts falling due within one year	14	(83,379)	(45,108)
		<u>91,598</u>	<u>231,681</u>
NET CURRENT ASSETS			
		<u>1,337,764</u>	<u>1,311,710</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	17	(643,000)	(517,000)
		<u>694,764</u>	<u>794,710</u>
NET ASSETS			
FUNDS	16		
Restricted income funds		688,825	706,654
Unrestricted income funds		5,939	88,056
		<u>694,764</u>	<u>794,710</u>
TOTAL FUNDS			

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 on 17th December 2021 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 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	62,358	86,467
Net cash provided by operating activities		<u>62,358</u>	<u>86,467</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(203,500)	(2,225)
Capital grants from DfE/EFA		5,553	5,586
Interest received		21	85
Net cash (used in)/provided by investing activities		<u>(197,926)</u>	<u>3,446</u>
Change in cash and cash equivalents in the reporting period		<u>(135,568)</u>	<u>89,913</u>
Cash and cash equivalents at the beginning of the reporting period		<u>237,387</u>	<u>147,474</u>
Cash and cash equivalents at the end of the reporting period		<u><u>101,819</u></u>	<u><u>237,387</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.21	31.8.20
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(28,946)	9,480
Adjustments for:		
Depreciation charges	37,364	40,179
Capital grants from DfE/ESFA	(5,553)	(5,586)
Interest received	(21)	(85)
(Increase)/decrease in debtors	(33,757)	7,223
Increase/(decrease) in creditors	38,271	(22,744)
Difference between pension charge and cash contributions	55,000	58,000
	<u>62,358</u>	<u>86,467</u>

2. ANALYSIS OF CHANGES IN NET FUNDS	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	237,387	(135,568)	101,819
	<u>237,387</u>	<u>(135,568)</u>	<u>101,819</u>
Total	<u>237,387</u>	<u>(135,568)</u>	<u>101,819</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 2020 to 2021 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 & covid 19

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 current COVID-19 pandemic 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 £5,939 (2020: £88,056) all of which is free reserves. The level of general restricted reserves is £85,660 (2020: £143,624).

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
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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 FR5 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.

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

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.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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 2021. 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 £	31.8.21 Total funds £	31.8.20 Total funds £
Other grants and payments	-	23,465	23,465	5,638
Capital Grants	-	5,553	5,553	5,586
School trips etc	-	6,596	6,596	9,386
	<u>-</u>	<u>35,614</u>	<u>35,614</u>	<u>20,610</u>

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

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

	31.8.21 £	31.8.20 £
Capital Grant	<u>5,553</u>	<u>5,586</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	562,432	562,432	563,900
Other DfE/EFSA grants				
Other DfE/ESFA Grants	-	3,558	3,558	-
Universal infant free school meals	-	25,787	25,787	22,506
Pupil premium	-	31,538	31,538	36,451
Teachers' pay	-	7,174	7,174	6,622
Teachers' pension	-	20,359	20,359	18,604
PE and sports	-	17,180	17,180	17,200
Other	-	750	750	5,322
	-	668,778	668,778	670,605
Other Government grants				
Special Educational Projects	-	34,019	34,019	45,241
Nursery Educational Funding	-	86,582	86,582	93,553
	-	120,601	120,601	138,794
COVID-19 additional funding (DfE/ESFA)s				
Other DfE/ESFA COVID-19 funding	-	4,800	4,800	8,107
Catch-up premium	-	6,720	6,720	-
	-	132,121	132,121	146,901
COVID-19 additional funding (non-DfE/ESFA)s				
Coronavirus job retention scheme	-	-	-	9,095
Other Covid	-	1,879	1,879	-
	-	134,000	134,000	155,996
	-	802,778	802,778	826,601

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.

2020

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak.

- The funding received for coronavirus emergency support covers £5k of cleaning and hygiene costs. These costs are included in notes 6 and 7 below as appropriate.
- The academy furloughed some of its pre school and wrap around staff under the government's CJRS. The funding received of £9k relates to staff costs in respect of support staff which are included within note 9 below as appropriate.

Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
------------------------------------	----------------------------------	-----------------------------	-----------------------------

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

Education	-	716,196	716,196	729,604
Nursery	-	86,582	86,582	96,667
	-	802,778	802,778	826,601

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.21 Total funds	31.8.20 Total funds
	£	£	£	£
Income from other schools	-	52,240	52,240	45,570
Other	22,095	35,918	58,013	42,763
	22,095	88,158	110,253	88,333

The comparatives include unrestricted funds of £21,534 and restricted funds of £66,799 giving a total of £110,254.

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.8.21 Total funds	31.8.20 Total funds
	£	£	£	£
Short term deposits	21	-	21	85

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

6. EXPENDITURE

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academy's educational operations					
Direct costs	567,084	14,221	133,628	714,933	701,565
Allocated support costs	148,190	62,525	51,964	262,679	224,584
	715,274	76,746	185,592	977,612	926,149

6. EXPENDITURE - continued

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

	31.8.21	31.8.20
	£	£
Auditors' remuneration	6,850	6,675
Auditors' remuneration for non audit work	240	235
Depreciation - owned assets	37,363	40,179
Operating leases	1,905	1,905
	<u> </u>	<u> </u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	1,278	713,655	714,933	701,565
Support costs	33,853	228,826	262,679	224,584
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	35,131	942,481	977,612	926,149
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	31.8.21 Total £	31.8.20 Total £
Analysis of support costs		
Support staff costs	148,190	119,556
Depreciation	7,983	11,681
Administrative supplies	10,064	8,439
Premises costs	62,525	48,792
Other support costs	26,827	29,206
Governance costs	7,090	6,910
	<u> </u>	<u> </u>
Total support costs	262,679	224,584
	<u> </u>	<u> </u>

The comparatives include unrestricted funds of £28,509 and restricted funds of £897,640, making up the total of £926,149.

8. GOVERNORS' REMUNERATION AND BENEFITS

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 £75,000 - £80,000	(2020: £70,000 - £75,000)
Employer's pension contribution £15,000 - £20,000	(2020: £15,000 - £20,000)

B Ford (staff governor):

Remuneration £45,000 - £50,000	(2020: £40,000 - £45,000)
Employer's pension contribution £5,000 - £10,000	(2020: £5,000 - £10,000)

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

8. GOVERNORS' REMUNERATION AND BENEFITS - continued

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

9. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	548,854	520,287
Social security costs	39,801	36,597
Operating costs of defined benefit pension schemes	126,619	109,775
	<u>715,274</u>	<u>666,659</u>

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

	31.8.21	31.8.20
Teachers	7	7
Administration and support	22	22
Management	2	2
	<u>31</u>	<u>31</u>

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

	31.8.21	31.8.20
£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 £227,621 (2020: £208,328).

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	-	5,587	15,023	20,610
Charitable activities				
Funding for the academy's educational operations	-	-	826,601	826,601
Other trading activities	21,534	-	66,799	88,333
Investment income	85	-	-	85
Total	21,619	5,587	908,423	935,629
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	28,509	45,765	851,875	926,149
Total	28,509	45,765	851,875	926,149
NET INCOME/(EXPENDITURE)	(6,890)	(40,178)	56,548	9,480
Transfers between funds	54,695	2,225	(56,920)	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	-	(33,000)	(33,000)
Net movement in funds	47,805	(37,953)	(33,372)	(23,520)
RECONCILIATION OF FUNDS				
Total funds brought forward	40,249	1,117,983	(340,002)	818,230
TOTAL FUNDS CARRIED FORWARD	88,054	1,080,030	(373,374)	794,710

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 1 September 2020	911,046	286,227	36,508
Additions	-	203,500	-
At 31 August 2021	911,046	489,727	36,508
DEPRECIATION			
At 1 September 2020	104,148	34,929	20,644
Charge for year	14,221	15,159	3,750
At 31 August 2021	118,369	50,088	24,394
NET BOOK VALUE			
At 31 August 2021	792,677	439,639	12,114
At 31 August 2020	806,898	251,298	15,864
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2020	26,300	93,889	1,353,970
Additions	-	-	203,500
At 31 August 2021	26,300	93,889	1,557,470
DEPRECIATION			
At 1 September 2020	26,300	87,920	273,941
Charge for year	-	4,233	37,363
At 31 August 2021	26,300	92,153	311,304
NET BOOK VALUE			
At 31 August 2021	-	1,736	1,246,166
At 31 August 2020	-	5,969	1,080,029

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade debtors	797	43
Other debtors	928	1,032
VAT	34,836	4,413
Prepayments and accrued income	36,597	33,914
	<u>73,158</u>	<u>39,402</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	42,396	10,525
Social security and other taxes	25,279	20,540
Deferred income	15,043	13,357
Accrued expenses	661	686
	<u>83,379</u>	<u>45,108</u>

	£
Deferred Income at 1 September 2020	13,357
Resources deferred in the year	15,043
Amounts released from previous years	(13,357)
	<u>15,043</u>
Deferred Income at 31 August 2021	<u>15,043</u>

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

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.21 Total funds £
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>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

		Restricted Fixed Asset Fund	Restricted General Fund	31.8.20 Total funds £
	Unrestricted Fund £	£	£	
Fixed assets	-	1,080,029	-	1,080,029
Current assets	88,056	1,669	187,064	276,789
Current liabilities	-	(1,668)	(43,440)	(45,108)
Pension liability	-	-	(517,000)	(517,000)
	<u>88,056</u>	<u>1,080,030</u>	<u>(373,376)</u>	<u>794,710</u>

16. 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

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>

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
General Annual Grant	85,998	59,851	(2,225)	143,624
Restricted Pension Fund	(426,000)	(91,000)	-	(517,000)
Other Restricted	-	54,695	(54,695)	-
DfE/YPLA Capital Grants	268,269	(5,956)	-	262,313
FA - Conversion and Depreciation	540,667	(8,000)	-	532,667
FA - Expenditure from GAG	109,889	(14,229)	2,225	97,885
FA - Other Sources	199,158	(11,993)	-	187,165
	<u>777,981</u>	<u>(16,632)</u>	<u>(54,695)</u>	<u>706,654</u>
Unrestricted funds				
Unrestricted Fund	7,773	2,512	-	10,285
Unrestricted Club Stretton Fund	12,073	(9,400)	5,995	8,668
Unrestricted Pre School	20,403	-	48,700	69,103
	<u>40,249</u>	<u>(6,888)</u>	<u>54,695</u>	<u>88,056</u>
TOTAL FUNDS	<u>818,230</u>	<u>(23,520)</u>	<u>-</u>	<u>794,710</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	563,902	(504,051)	-	59,851
Restricted Pension Fund	-	(58,000)	(33,000)	(91,000)
Other Restricted	220,614	(165,919)	-	54,695
Other Dfe/ESFA Grants	5,322	(5,322)	-	-
Dfe/YPLA Capital Grants	5,586	(11,542)	-	(5,956)
FA - Conversion and Depreciation	-	(8,000)	-	(8,000)
FA - Expenditure from GAG	-	(14,229)	-	(14,229)
FA - Other Sources	1	(11,994)	-	(11,993)
Other Dfe/ESFA - UIFSM	22,506	(22,506)	-	-
Other Dfe/ESFA - Pupil premium	36,451	(36,451)	-	-
Other Dfe/ESFA - Teachers' Pay	6,622	(6,622)	-	-
Other Dfe/ESFA - Teachers' Pension	18,604	(18,604)	-	-
Other Dfe/ESFA - PE and Sports	17,200	(17,200)	-	-
Coronavirus Job Retention Scheme Grant	9,095	(9,095)	-	-
Other Dfe/ESFA COVID-19 funding	8,107	(8,107)	-	-
	<u>914,010</u>	<u>(897,642)</u>	<u>(33,000)</u>	<u>(16,632)</u>
Unrestricted funds				
Unrestricted Fund	2,512	-	-	2,512
Unrestricted Club Stretton Fund	19,107	(28,507)	-	(9,400)
	<u>21,619</u>	<u>(28,507)</u>	<u>-</u>	<u>(6,888)</u>
TOTAL FUNDS	<u>935,629</u>	<u>(926,149)</u>	<u>(33,000)</u>	<u>(23,520)</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 re-allocation of expenditure on fixed assets, transfer of furlough grant money relating to Club Stretton wages and transfer of 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 £13,081 were payable to the schemes at 31 August 2021 (2020 - £11,667) 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 2023.

The employer's pension costs paid to TPS in the period amounted to £64,780 (2020 - £62,178).

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 2021 was £63,330 (2020: £51,474), of which employer's contributions totalled £48,428 (2020: £37,305) and employees' contributions totalled £14,902 (2020: £14,169). 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 starting at £13,000 for the year 2020/21, increasing to £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 10 years.
The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Present value of funded obligations	(1,130,000)	(858,000)
Fair value of plan assets	487,000	341,000
	<u>(643,000)</u>	<u>(517,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(643,000)</u>	<u>(517,000)</u>
Net liability	<u>(643,000)</u>	<u>(517,000)</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	107,000	100,000
Net interest from net defined benefit asset/liability	9,000	8,000
Past service cost	-	-
	<u>116,000</u>	<u>108,000</u>
Actual return on plan assets	<u>70,000</u>	<u>4,000</u>

17. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	858,000	688,000
Current service cost	107,000	100,000
Contributions by scheme participants	15,000	14,000
Interest cost	16,000	13,000
Actuarial losses/(gains)	134,000	32,000
Benefits paid	-	11,000
	<u>1,130,000</u>	<u>858,000</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	341,000	262,000
Contributions by employer	62,000	51,000
Contributions by scheme participants	15,000	14,000
Expected return	7,000	5,000
Actuarial gains/(losses)	63,000	(1,000)
Benefits paid	-	11,000
Assets administration expenses	(1,000)	(1,000)
	<u>487,000</u>	<u>341,000</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial gains/(losses)	<u>(71,000)</u>	<u>(33,000)</u>
	<u>(71,000)</u>	<u>(33,000)</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	
	31.8.21	31.8.20
	£	£
Equities	406,000	225,000
Government bonds	-	23,000
Bonds - Other	-	18,000
Property	21,000	18,000
Cash/liquidity	12,000	14,000
Other	48,000	43,000
	<u>487,000</u>	<u>341,000</u>

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

	31.8.21	31.8.20
Discount rate	1.70%	1.80%
Future salary increases	4.30%	3.80%
Future pension increases	2.90%	2.40%
Inflation assumption (CPI)	2.80%	2.30%

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	22.7	22.6
Females	25.1	25
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27

Sensitivity analysis	31.8.21	31.8.20
	£	£
Discount rate +0.1%	(27,000)	(21,000)
Discount rate -0.1%	28,000	22,000
Mortality assumption - 1 year increase	35,000	24,000
Mortality assumption - 1 year decrease	(34,000)	(23,000)
CPI rate +0.1%	28,000	21,000
CPI rate -0.1%	(27,000)	(20,000)

18. CONTINGENT LIABILITIES

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

19. CAPITAL COMMITMENTS

	31.8.21	31.8.20
	£	£
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:

	31.8.21	31.8.20
	£	£
Within one year	1,905	1,905
Between one and five years	7,620	7,620
In more than five years	12,383	14,288
	<u>21,908</u>	<u>23,813</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 £50,814 (2020: £44,719) was received from Burghill Community Academy
- During the year expenditure of £nil (2020: £314) 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 £8,000 owed to the Academy (2020: £nil owed to the Academy from Burghill Community Academy).
- In entering into the transactions the academy has compiled with the requirements of the Academies Financial Handbook 2020
- The element above £2,500 has been provided 'at no more than cost'