Registered number: 09065312

Smith's Wood Primary Academy Limited

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021

DAINS
ACCOUNTANTS

Smith's Wood Primary Academy Limited
(A Company Limited by Guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditor's report on the financial statements	23 - 26
Independent reporting accountant's report on regularity	27 - 28
Statement of financial activities incorporating income and expenditure account	29
Balance sheet	30
Statement of cash flows	31
Notes to the financial statements	32 - 57

Reference and Administrative Details

Members	D Givens (resigned 12 November 2021) S Volante (resigned 12 November 2021) L Sargeant (appointed 12 November 2021) S Wragg (appointed 12 November 2021)
Trustees	N Henderson *, (Chair of Trustees) Rev S Carter ^ (resigned 5 October 2021) D Givens, (Principal) I Batigan * M Thompson *^ C Lees ^ V Hudson *^ A Mills *^ S Morris ^ C Herbert ^ (resigned 10 May 2021) J Goodall * *members of the Finance Committee ^members of the Standards Committee
Company registered number	09065312
Company name	Smith's Wood Primary Academy Limited
Principal and registered office	Burtons Way Birmingham West Midlands B36 0SZ
Company secretary	S Volante
Senior management team	D Givens, Principal V Hudson, Vice Principal S Taylor, Assistant Principal S Volante, School Business Manager
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH

Reference and Administrative Details (continued)
For the Year Ended 31 August 2021

Bankers	Lloyds Bank Solihull Business Centre 355 Stratford Road Shirley Solihull West Midlands B90 2AB
Solicitors	Mills & Reeve 78-85 Colmore Row Birmingham B3 2AB

Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for students aged 3-11 serving a catchment area surrounding Smith's Wood, North Solihull. It was originally built in 2009 for capacity of 420 and has a roll of 455 on the school census date in the summer term 2021.

Structure, governance and management

a. Constitution

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

The Trustees of Smith's Wood Primary Academy Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Smith's Wood Primary Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

Since the incorporation of the charitable company on 2 June 2014, the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 13 to the financial statements the limit of this indemnity is £500,000.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

The processes for appointing or electing the various types of trustee at Smith's Wood Primary Academy Limited are as follows:

1) Co-opted Trustees
A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

The Trustees may not appoint an employee of Smith's Wood Primary Academy Limited as a Co-opted Trustee if the number of Trustees who are employed by the School (including the Head of School) would thereby exceed one third of the total number of Trustees.

2) Parent Trustees
Parent Trustees are elected by parents of registered students at the Academy. A Parent Trustee must be a parent or carer of a student at the Academy at the time of when he / she is elected. Parent Trustee vacancies are filled through an election process.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Board of Trustees, if the number of parents standing for election is less than the number of vacancies.

The Articles of Association require that there shall be a minimum of two Parent Trustees.

3) Staff Trustees
Up to three Staff Trustees can be elected by the school staff as individuals, representative of the staff of the school. Both teaching staff and support staff paid to work at the school are eligible for staff Trusteeship. At Smith's Wood Primary Academy Limited two Staff Trustees are elected from the teaching staff; in addition the Head of School is a Staff Trustee. The number of Staff Trustees must not exceed one third of the total number of Trustees.

4) Community Trustees
Up to six Community Trustees can be appointed by the Members of the Academy Trust.

e. Policies adopted for the induction and training of Trustees

Following their appointment/election all new Trustees receive an introduction to their role from the Chairman and Head of School. There is an opportunity to tour the school and meet the members of the Management Team. The Clerk to the Trustees provides an induction pack for all new Trustees and liaises with them to ascertain their preference in Committee membership.

The Board of Trustees at Smith's Wood Primary Academy Limited is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively. The Board of Trustees allocates an annual budget for Trustee training and collectively decides on the most appropriate training necessary. Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake training as required, e.g. Finance, Budget forecasting and monitoring, Safeguarding, Child Protection and Safer Recruitment. There is a nominated Trustee who undertakes the responsibility of reviewing training opportunities and makes recommendations to the Board of Trustees. The nominated Trustee liaises with the School Business Manager and Chair of Trustees.

Structure, governance and management (continued)

f. Organisational structure

Before conversion to academy status on 1 July 2014 Smith's Wood Primary Academy Limited was a local authority maintained school. The additional responsibilities of the Board of Trustees of the Academy Trust have been recognised and the structure amended accordingly.

At Smith's Wood Primary Academy Limited the majority of the roles and responsibilities of the Board of Trustees have been delegated to one of two committees, as defined by the Board of Trustees' Terms of Reference. Responsibilities for which the full Board of Trustees has retained responsibility are defined in the Board of Trustees' Terms of Reference.

Members of the Management Team, in addition to the Head of School, attend Trustees' Committee meetings and full Board of Trustees meetings as appropriate. Individual members of the Management team are identified as a Lead Professional for each of the Committees.

The Trustees are responsible for the strategic management of the school; deciding and setting key foci for the school. These include strategic direction, annual budget, senior staff appointments and policy changes. Strategic and operational leadership is the responsibility of the Head of School and the Management Team. Leadership is carried out at a number of levels throughout the school i.e. Senior Management Team, Middle Leaders, Heads of House, Subject Leaders, Support Staff Leaders and Student Leaders.

School policies are developed by senior members of the school's staff to reflect both statutory requirements and the strategic direction agreed by the Trustees. These policies are reviewed by the Trustee Committees, approved and adopted by the Board of Trustees and implemented with appropriate procedures by the Management Team and other designated members of staff.

The Board of Trustees and each sub-committee meet once per term. The Board of Trustees Committee structure consists of the following:- Standards (Professional Lead: Principal of School), Finance (Professional Lead: School Business Manager).

g. Arrangements for setting pay and remuneration of key management personnel

Remuneration for key management is set by the remuneration committee at the start of each school year in accordance with Solihull Metropolitan Borough Council guidelines. Changes in remuneration are based on the performance of the Principal and Deputy against objectives for the prior year.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£	
Total cost of facility time	-	
Total pay bill	2,484,609	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Smith's Wood Primary School to provide education for students between the ages of 3 and 11.

b. Objectives, strategies and activities

The Academy Trust was set up on 1 July 2014 to advance education in Smith's Wood, North Solihull. The school was built in 2009; two local primary schools Bosworth Wood and Kingfisher closed and were replaced by Smith's Wood Primary School. The school offers a broad based curriculum, breaking down barriers to learning. This reflects the school's ethos by ensuring all pupils reach their full potential.

The initial objective was to ensure a smooth and seamless conversion from a maintained school to an academy. In doing this the Trustees have carefully planned short, medium and long term developments whilst maintaining the highly valued traditional ethos and values across the community.

Objectives and activities (continued)

During 2020 - 2021 the main objectives of the school were:

Key areas for improvement 2020 – 2021

- 3 ability groups maintained in every year group for Literacy and maths
- Develop opportunities within the school for all pupils to take up positions of leadership at SWPA, and opportunitiesfor leadership contributions outside of SWPA (limited opportunities outside the school due to the pandemic)
- Ensure that percentage of Y6 pupils reaching "secondary ready" standard is above national average level. Aspirational figure: at least 80% of pupils to be at age expected standard. (NB: Due to the pandemic, 2019 data is the last set of National data available for the school).
- Rates of progress (KS1-KS2) to be consistent in all groups of pupils; progress of disadvantaged pupils to match that of non-disadvantaged pupils in all areas.
- Y1 Phonics screening level target : 97% Y2 retake expected level: 100%
- School attendance level target : To be no higher than 0.2% below National level. Persistent Absence levels to be in line with, or below National.

The aims of the school are based on our motto **'More than a School'**.

The Smith's Wood Charter' provides a series of statements that explain the entitlement for students who attend Smith's Wood Primary Academy; the charter states:

Working in partnership with parents and carers, staff and governors will aim to;

- Create a safe, secure orderly and accessible learning environment.
- Deliver exciting, purposeful learning and teaching opportunities both inside, outside and beyond the classroom, through a vibrant curriculum.
- Set clear and consistent expectations for behaviour, centred around mutual respect.
- Develop independence and self-respect amongst our children.
- Create a bright, stimulating, interactive place to learn.
- Develop positive links and communication between home, governors and the wider community to support children's learning.
- Provide an inclusive environment in which all children can succeed

'CITIZENS OF THE FUTURE, UNITED IN OUR COMMUNITY'

Our aim for every child is that they should:

- Make good progress.
- Enjoy learning.
- Develop lively enquiring minds.
- Be able to work with others as part of a team.
- Embrace new technology, alongside traditional skills.
- Show care and respect for the environment and contribute to the community.

We encourage all teachers and support staff to create a positive, forward looking, professional workplace in which team work is central, expertise and strengths are shared and when calculated risks are taken.

Objectives and activities (continued)

'MORE THAN A SCHOOL'

The 2020 - 2021 School Improvement Plan objectives and actions have been reviewed and have informed objectives for 2021 - 2022.

Development Plan Objectives for Academic Year 2021-2022

Quality of Education:

- To further increase rates of progress, with particular emphasis on progress rates of disadvantaged pupils
- Provide individualised teaching and tutoring for identified disadvantaged pupils
- Improve achievement of pupils working at Greater Depth in all Key Stages
- Ensure the gap for attainment is closed between PP and Non PP pupils, particularly after the pandemic
- Challenge for all groups to achieve at the highest levels, with particular emphasis on more able provision in non-core subjects.
- Constant review of the curriculum to ensure recovery plans are having an impact

Leadership and Management:

- Further develop impact of SLT (Senior Leadership Team) and subject leaders through distributed leadership and cross school training opportunities
- Further develop leadership of early years and foundation stage so teaching is consistently good or better, with emphasis on the development of play partner role
- Enhance effectiveness and capacity of governing body through further recruitment

Behaviour and Attitudes:

- Review and revise Character Education to ensure pupils have characters taught
- Improve provision of SEND (Special Educational Needs & Disabilities) for pupils with complex learning needs.
- Improve levels of pupil attendance and lower levels of Persistent Absence.

Personal development:

- Provide extended curriculum opportunities for pupils to prepare them for future success.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The key public benefit delivered by Smith's Wood Primary Academy is the maintenance and development of a quality education provided by the school. It is the Trustees' aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in the area of Smith's Wood and its surrounding areas.

In doing this, Smith's Wood Primary Academy not only offers a broadly based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities and educational trips and visits are offered to students.

Strategic report

Achievements and performance

a. Key performance indicators

The headline National data is based on outcomes for 2019, as there are no official figures due to Covid. No end of Key stage assessments took place in either 2020 or 2021.

Ofsted Inspection – May 2017

The school received an inspection in May 2017. This inspection was carried out under section 8 of the Education Act 2005. The inspection was also deemed a section 5 inspection under the same Act. Quality of teaching, learning and assessment were judged as outstanding, Smith's Wood Primary Academy was graded OUTSTANDING in all categories.

The Trustees and school leaders were thrilled that the school achieved such a positive report.

Key Strengths from the inspection included:

- Smith's Wood Primary Academy is exceptionally well led. Leaders and governors have unwavering determination. A culture of high expectations permeates the school.
- The principal leads with passion and drive. His enthusiasm for learning is shared by fellow leaders. The leadership team constantly looks for ways to improve its own effectiveness.
- Governors are skilled and provide an equal measure of challenge and support. They work collaboratively with leaders to secure exceptional outcomes for children, staff and families.
- From starting points that are often below typical levels, pupils thrive. Outcomes in almost every phase are above national levels. Pupils' progress is rapid. No one is left to fall behind.
- Disadvantaged pupils and pupils who have special educational needs and/or disabilities are very well supported. By the time these groups of pupils leave school, their progress exceeds that of other pupils nationally.
- The curriculum is inspirational. Pupils are immersed in wide-ranging topics that fascinate and enthral them. There are opportunities for pupils to attend clubs and visit places they might not ordinarily see at such a young age.

Areas for improvement were as follows:

- Refine assessment systems so that leaders and governors can analyse the progress made by different groups of pupils even more precisely.
- Ensure that teachers consistently challenge pupils, particularly those that are most able, to demonstrate the depth of their learning and understanding in all subjects of the curriculum.
- Further develop provision within the early years so that children have even more opportunities to make decisions about how they approach tasks.

The report confirms that Smith's Wood Primary Academy is exceptionally well led and that governors work collaboratively with leaders to secure exceptional outcomes for children, staff and families. Self evaluation, alongside external reviews confirm that this judgement remains accurate.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

Improving educational outcomes for our children remains our key priority. Children enter Smith`s Wood Primary Academy, on average well below national average. By the time children leave the school, on average, they are performing above national average expectations. Outstanding levels of attainment are achieved in many areas of the school, alongside rapid rates of progress. Significant barriers to learning are overcome (51% FSM 2019 - 2020), with all groups of pupils outperforming national average levels by the end of KS2 (as evidenced up to and including the National data for the end of 2020). This is evidence of the school effectively deploying resources and implementing intervention strategies to ensure good value for money. The Academy has taken the following steps to support school improvement for our students and to raise their attainment and aspirations (see below).

The Academy is committed to supporting our children achieving their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for higher education. This commitment to being "More Than A School" is reflected in the school achieving the Sports Mark Gold Award in 2018, 2019 and 2020 and the School of Character Kitemark in 2018.. The Real Schools Guide identified Smith`s Wood as a "Top 10" school in Solihull in 2019. In 2017, the school was graded as 'Outstanding' by Ofsted in all areas.

Ofsted (2017) recorded that the teaching of phonics at the school was "outstanding" and that programmes for individual pupils were also "outstanding". The very effective use of funding to close gaps in attainment for disadvantaged pupils has been recognised nationally (Pupil Premium Award 2013).

Targeted improvement: The Academy has a robust tracking system for monitoring achievement, a combination of Educator software and in house assessment systems. The academy continually looking at how data can inform staff in order for them to support and extend the learning of the children. We have employed skilled staff to support our school improvement agenda and we involve all our teams in focusing on the children's' learning needs and encourage innovation and creativity to meet those needs. The Academy also recognised the need for a tailored assessment system, linking all foundation stage subjects, as well as core subjects. This has been achieved by updating and personalising the Educater system.

Focus on individual children: The Academy offers children a comprehensive support service and specialist learning provision. Children benefit from 1:1 counselling, play therapy, creative arts therapy, speech & language therapy, small group work, external educational provision (where appropriate) and our experienced teams work with children to support their individual needs. The Academy rewards excellence and encourages positive behaviour. We celebrate achievement and encourage children to try new activities.
Diverse Curriculum: We recognise that children's' skills and knowledge are diverse, and it is necessary to differentiate the curriculum in order to make the most appropriate use of resources to meet children's' needs. These needs are reflected in Topic lessons, daily assemblies, PSHE and RE sessions, as well as through our character values.

Collaboration: Smith`s Wood Primary Academy is committed to working collaboratively to improve outcomes for all pupils. The academy has an informal alliance with the Rural Collaborative of Solihull schools.

Conducting joint review projects, led by senior staff and middle managers.

Mentoring of senior staff across collaborative schools.

Providing positions for apprentices alongside local colleges (National Apprenticeship award winner 2014).

Teacher Training in partnership with local universities and Teaching Schools.

Strategic report (continued)

Achievements and performance (continued)

Quantifying improvements:

Evidence of attainment

Please note, all data below is based on end of 2019 data, due to the pandemic and no formal assessments taking place at the end of 2020.

Standards at the end of KS2 (2019), in terms of pupils achieving at the expected level or above were above national average in all subjects Reading 84% (73% nationally) Writing 91% (78% nationally) Maths 91% compared to 79% nationally) and SPAG 93% compared to 78% nationally.

Standards achieved in RWM at the end of KS2 (2019) are above average 84% (65% nationally provisional figure).

Note that attainment in KS2 (2019), in terms of average scaled scores is significantly above the national average.

Pupils` achievement in (KS1)
Standards at the end of KS1 (2019) are above national average in all subjects Reading 78% (75% nationally) Writing 84% (69% nationally) and Maths 85% compared to 76% nationally). Note that this figure is Reading 90%, Writing 73% and Maths 86% for FSM pupils.

Book band data summary
The school's book band data shows clear progress across the school year – September 19 – July 19. The number of children achieving the expected book band increased by 20% from Autumn 1 to Summer 2, with 78% of pupils achieving a minimum of the required book band for the time of year.

Not only this, test results revealed that in every year group, the average reading age of pupils was above their average actual age for the period February 19-July 19. This demonstrates the strength of the children's comprehension skills in our school.

Y1 National Phonics Screening Test
In the Y1 phonics screening test, 97% of our Y1 pupils achieved the standard consistent with 2018 and 2017. Note that this is 15% higher than the national average figure. All groups of pupils achieved significantly higher than the national average levels. Indeed, in each year that this test has been in existence, the school average has been significantly in excess of the national average for all groups of pupils. This is despite considerable barriers to learning.

'The quality of teachers' questioning and the teaching of phonics are particular strengths'
OFSTED 2017

Writing
The development of writing continues to be a priority at Smith`s Wood. All aspects of writing have been considered, with a particular emphasis on independent writing through "Big Write. A particular focus has been made of the use of grammar in 2018 - 2019.

Impact
Standards in writing have risen in key stage 1 and key stage 2 and are in line, if not above national average.

Value added (school data)
Pupils are tracked individually, as well as in cohorts and groups within groups.

Strategic report (continued)

Achievements and performance (continued)

Internal data highlights the rapid progress made by our Y6 cohort (2019). Our in house data shows that this group improved by +6 points from Dec 18 to July 19 in reading and +8 points in maths (using standardised tests) The progress made by disadvantaged pupils in reading was greater than the previous year's cohort (+7 points compared to +6). The progress made by disadvantaged pupils in maths during this period was +6, which was the same as non– disadvantaged pupils.

Rapid progress is made throughout the school, with Y6 pupils making exceptional progress.
Throughout years 1-6, there is a pattern of disadvantaged pupils at least matching and often slightly surpassing the standards of non-disadvantaged pupils. This pattern is matched in terms of progress, when comparing the mean averages of groups over time (eg Dec 18– July 19).

Disadvantaged pupils
A strength of the school is the attainment and progress of disadvantaged pupils. This is significant given that all year groups have a relatively high proportion of disadvantaged pupils. In house data shows disadvantaged pupils performing in line with non-disadvantaged pupils, with both groups performing slightly above the average level.
National data (KS2 19) also highlights the high relative performance of disadvantaged pupils at Smith`s Wood.

KS2 2019 data shows that disadvantaged pupils are outperforming the national non FSM group (see above). Whilst progress rates in 2019 are broadly average, and below the rates seen in recent years, the attainment of disadvantaged pupils overall is significantly above the national average level. Indeed, the attainment of every group within the disadvantaged cohort was above the average standardised figure (100). See below.
Whilst gaps are evident between the attainment of disadvantaged and non-disadvantaged pupils in 2019 (KS2 national data) this is in the context of disadvantaged pupils outperforming the attainment of non-disadvantaged pupils nationally.

Summary
From a very low starting point in Reception, standards have risen over time , progress rates have improved significantly, teaching standards have improved markedly and attendance has continued to improve. Children enter the school well below average and leave Y6 with levels above national average levels. In school data mirrors the picture of rapid progression in which barriers to learning are being overcome. We believe this is a result of outstanding teaching, provision and leadership and management.

d. Financial performance indicators

The Trustees of the Academy Trust agreed the following key financial performance indicators for 2021 - 2022:-

- **Achieving a reduction in deficit budget set for 2021 - 2022**
  The Trustees monitor the financial position on a half-termly basis by reviewing financial year-end projections.

- **Maintaining current level of reserves**
  The school will maintain reserves at the end of this accounting period.

- **Achieving value for money through effective financial management procedures**
  The school complies with the Finance Policy as adopted by the Board of Trustees in 2014. Visits by an independent external Responsible Officer have verified the procedures of financial management and internal control to achieve value for money.

- **Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure**
  Monitoring of cash flow throughout the year has secured sufficient cash balances to ensure cash balances to cover monthly expenditure.

Strategic report (continued)

Financial review

a. Introduction

The majority of the school's income is received from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school has directed income to specifically targeted areas to raise standards. The Trustees approved a staffing structure for implementation in September 2019 onwards where additional leadership was enhanced and expertise in the core subjects was implemented, through shared leadership areas of responsibility.

£14,155 (2020 - £8,913) was received as a Devolved Formula Capital Grant (DFC); the DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 1 July 2014, all of the fixed assets of the former maintained school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income i.e. bank interest.

The combined General Restricted Fund and Unrestricted Fund show an operating deficit, before the actuarial losses on defined benefit pension schemes, of £31,287 (2020 - £108,878), prior to the transfer of £4,671 (2020 - £17,012) into the Restricted Fixed Asset Fund.

b. Reserves policy

Under its Deed of Variation to the Funding Agreement with the Secretary of State for Education Smith's Wood Primary Academy Limited is allowed to hold reserves at the end of the year as specified in the current Academies Financial Handbook.

The Trustees of the Finance Committee has reviewed these reserve levels and believe that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion.

As at 31 August 2021 the school had reserves based upon its GAG of around 17% (2020 - 18%).

c. Investment policy

Apart from the cash held for the operation of the school, Smith's Wood Primary Academy Limited has no realisable investments. With respect to its cash holdings the Board of Trustees has adopted a low risk strategy. The school maintains a current account and an investment account with the school's bankers. The Trustees will review its investments for forthcoming financial years to ensure maximum efficiency for cash balances.

d. Principal risks and uncertainties

The Trustees conduct an annual review of its Risk Register to consider whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the school's objectives. The academy's key strategic risks include:-

- Staff Retention
- Breach of Data Protection
- Litigation and legislative changes
- Pension deficit
- Fall in levels of academic achievement
- Failure to meet academic objectives
- Detrimental media publicity
- Failure of internal financial controls
- Fraud
- Health and safety of students and staff
- COVID-19

Under FRS102 Section 28, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to an unrestricted fund. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The Academy is currently paying an increased employer contribution rate to reduce this deficit.

Fundraising

Smith's Wood Primary Academy is committed to its charitable aims and fundraises where possible to help achieve these. The Trustees ensure that the school complies with charity legislation and regulation in this area and it is expected that any fundraising activities are carried out in adherence to this legislation. Fundraising will be legal, respectful, honest and properly administered. Where possible all costs of fundraising events will be covered by participants to ensure that as much of the fundraising income received will go directly to cover the charitable aims. Smith's Wood Primary Academy will not undertake business with companies or individuals which could cause detriment to the reputation; which will disproportionately decrease the amount of donations to the Academy. All fundraising activities are monitored and information of the donor will be handled properly and carefully.

Plans for future periods

Smith's Wood Primary Academy will continue to work to improve the achievements of its students at all levels, not only in academic subjects but also in extra-curricular activities and in essential life skills, to increase the variety of opportunities open to its students when they move on to higher education and the world of work. This is a particular focus in light of the education missed by pupils due to the Covid pandemic.

Smith`s Wood Primary School will continue to "future proof" its management structure, through the ongoing training of staff, working with our collaborative of schools.

The Trustees consider that robust financial management has enabled investment in learning resources and the learning environment to meet strategic development priorities. Trustees also recognise the importance of a long-term strategic plan, which meets both the Learning Strategy and the Condition Survey needs for maintenance and future development of the environment.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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

N Henderson
Chair of Trustees

D Givens
Principal

Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Smith's Wood Primary Academy Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
N Henderson *, (Chair of Trustees)	6	6
Rev S Carter ^	6	6
D Givens, (Principal)	6	6
I Batigan *	4	6
M Thompson *^	1	6
C Lees ^	5	6
V Hudson *^	6	6
A Mills *^	6	6
S Morris ^	4	6
C Herbert ^	0	4
J Goodall *	5	6

*members of the Finance Committee
^members of the Standards Committee

The Trustees have reviewed their performance and capacity by undertaking a self-evaluation of governance during the year. Trustees identified areas of governance of high significance. Trustees offer challenge on a termly basis on the progress of the quality of teaching, pupil premium and the measure of narrowing the gap, behaviour, attendance, financial matters and budget monitoring and forecasting, health and safety compliance and testing. Trustees have investigated establishing a system of linking individual Trustees to departments, including support staff. Trustees receive feedback on performance management outcomes and review, consider and approve changes to staffing structures.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to recommend the annual budget to the Board of Trustees and subsequently monitor income and expenditure against the approved budget. The Committee receive written reports from the School Business Manager each half term, with recommendations for consideration. A constant review of anticipated end of year financial position is undertaken through the year.

One member of the Committee is a qualified accountant.

During the year, as all meetings were held remotely, it was decided by the Academy to hold 6 full governing board meetings, to include all financial matters rather than to hold any separate Finance Committee meetings.

Review of value for money

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

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

Financial governance and oversight: The Academy's Governing Body has strong oversight of the financial management of the budget. The Finance Committee meet regularly, at least once a term, to review the financial position, to receive reports and to challenge decisions. Our external auditors review our financial processes and the role of Responsible Officer is undertaken by Dains to test our internal controls. The levels of delegation on spending proposals ensure we take the necessary steps to achieve best value.

The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and External Auditors Management Report.

Better purchasing: The Academy uses compliant frameworks where appropriate, including tender processes to achieve best value for higher value procurement. On smaller value procurement, our Budget Holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other schools and economies of scale. We have a member of the finance team who specifically deals with procurement and is constantly checking for best value.

The Academy benchmarks its financial performance against other Solihull academy trusts to demonstrate that the Trust provides good value for money, particularly in the 4 main cost areas:

- Staff
- Premises
- Occupation
- Supplies and services

During the Academy conversion process, a transparent tender process was undertaken before the appointment took place of solicitors and auditors. A thorough review of Service Level Agreements took place prior to conversion, in respect of bought-in services and some changes were made. This process is repeated each year; to ensure we are buying services cost effectively when balanced with the impact those services have.

The Academy seeks guidance from external professionals and advisers, where appropriate. Governors have instructed senior leaders to seek advice on the future strategy of the school in respect of pupil numbers (capacity) as well as teaching areas (classroom space). The Governing Body approved the building of 2 additional teaching spaces with the handover happening in February 2020. Those 2 new classrooms are in full use throughout the day as break out teaching spaces for a 3rd ability group of pupils in lower KS2.

There is a rolling programme within school, for repairs of classrooms and work areas.

We have re-established controls over the heating & ventilation systems. This will not only make the working environment more conducive to performing well, but there should be net savings in energy costs.

Personal development is always a key part of an improved performance and this is not just limited to teaching staff. The Academy recently appointed a Head of Personal Development, Behaviour & Attitudes, who sits on the Leadership team. The Head of Personal development has instilled clear inter house competitions, as well as developed provision for all aged pupils, both at lunchtime and after school. The activities and experiences planned, in order to enhance personal development, include the 'Primary Duke of Edinburgh award' mountaineering expeditions and opportunities for pupils, at all ages, to develop the skills required for future success.

Review of value for money (continued)

Variable overhead costs are under constant review. For example, we implemented a software system' Paper cut' for print/copy, which weekly budgets for staff – this will reduce unnecessary printing/copying, will significantly reduce our use of colour and overall will save money not only on use of machinery, but paper as well.

Fitness for purpose: The Academy has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

Better income generation: The Academy has limited scope to make lettings, in view of the current shared use arrangements with Smith's Wood Parish Council (SWPC). However, one area being monitored closely is the re-charge of shared costs related to the building to SWPC. This has included splitting utility bills and maintenance charges for the building. SWPC now pay 17% towards maintenance charges in shared use areas. The shared user agreement is currently under review.

Reviewing Controls and Managing Risk: Monthly budget monitoring reports and management accounts are produced by the Business Manager. These reports are reviewed by the Principal and the Governing Body and any remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Academy sees IT as an important area, both in terms of the impact on the curriculum teaching & learning as well as the need to understand developments in the marketplace. We have an in-house IT Network Manager to enable us to have a better knowledge base in school, as well as responding to the ever changing ICT climate.

Lessons learned (reviewing operation to maximise use of resources): The Academy Leadership Team review expenditure with budget holders and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer, and any new strategies identified in the Academy Improvement Plan.

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 Smith's Wood Primary Academy Limited for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

The risk and control framework (continued)

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

The Board of Trustees has decided to buy-in an internal audit service from MLG Education Services.

The internal auditor's scope and objectives were to provide the trust board with assurance that the trust's system of internal control is effective and contributes to strong governance, risk management and control arrangements at the trust. The results of which were reported to the Board of Trustees.

There were three areas in which high control weaknesses arose as a result of the internal auditors' work as planned.The Academy has worked with MLG Education Services to put measures in place to ensure these areas of weaknesses are no longer identified as weaknesses.

Review of effectiveness

As accounting officer, the Principal 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 ;
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on their behalf by:

N Henderson

D.M Givens

N Henderson
Chair of Trustees

D Givens
Accounting Officer

Smith's Wood Primary Academy Limited
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Smith's Wood Primary Academy Limited I have considered my responsibility to notify the Academy Board of Trustees 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 Trustees are able to identify any material irregular or improper use of all 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 Trustees and ESFA.

D.M Givens

D Givens
Accounting Officer
Date: 13 December 2021

Statement of Trustees' responsibilities For the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on its behalf by:

N Henderson
Chair of Trustees

D.M Givens

D Givens
Principal

Independent Auditor's Report on the financial statements to the Members of Smith's Wood Primary Academy Limited

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report on the financial statements to the Members of Smith's Wood Primary Academy Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

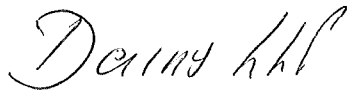
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

13 December 2021

Independent Reporting Accountant's Assurance Report on Regularity to Smith's Wood Primary Academy Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Smith's Wood Primary Academy Limited during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Smith's Wood Primary Academy Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Smith's Wood Primary Academy Limited's funding agreement with the Secretary of State for Education dated 26 June 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

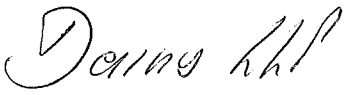
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Independent Reporting Accountant's Assurance Report on Regularity to Smith's Wood Primary Academy Limited and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Dains LLP

Statutory Auditor
Chartered Accountants

Date: 13 December 2021

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	**2,958**	**5,144**	**14,155**	**22,257**	52,236
Other trading activities	6	**10,315**	**3,243**	**-**	**13,558**	39,143
Investments	7	**55**	**1**	**-**	**56**	807
Charitable activities:	5					
Funding for the academy trust's educational operations		**-**	**2,629,862**	**-**	**2,629,862**	2,513,489
Total income		**13,328**	**2,638,250**	**14,155**	**2,665,733**	2,605,675
Expenditure on:						
Charitable activities:	8					
Academy trust educational operations		**14,988**	**2,933,877**	**133,674**	**3,082,539**	2,926,163
Total expenditure		**14,988**	**2,933,877**	**133,674**	**3,082,539**	2,926,163
Net expenditure		**(1,660)**	**(295,627)**	**(119,519)**	**(416,806)**	(320,488)
Transfers between funds	17	**-**	**(4,671)**	**4,671**	**-**	-
Net movement in funds before other recognised gains/(losses)		**(1,660)**	**(300,298)**	**(114,848)**	**(416,806)**	(320,488)
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	24	**-**	**(514,000)**	**-**	**(514,000)**	(600,000)
Net movement in funds		**(1,660)**	**(814,298)**	**(114,848)**	**(930,806)**	(920,488)
Reconciliation of funds:						
Total funds brought forward		**707,393**	**(2,859,110)**	**5,039,326**	**2,887,609**	3,808,097
Net movement in funds		**(1,660)**	**(814,298)**	**(114,848)**	**(930,806)**	(920,488)
Total funds carried forward		**705,733**	**(3,673,408)**	**4,924,478**	**1,956,803**	2,887,609

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

The notes on pages 32 to 57 form part of these financial statements.

Smith's Wood Primary Academy Limited
(A Company Limited by Guarantee)
Registered number: 09065312

Balance Sheet
As at 31 August 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	14		**5,440,448**		5,566,697
Current assets					
Debtors	15	**106,631**		69,917	
Cash at bank and in hand	21	**368,301**		469,914	
		474,932		539,831	
Creditors: amounts falling due within one year	16	**(142,577)**		(182,919)	
Net current assets			**332,355**		356,912
Net assets excluding pension liability			**5,772,803**		5,923,609
Defined benefit pension scheme liability	24		**(3,816,000)**		(3,036,000)
Total net assets			**1,956,803**		2,887,609
Funds of the Academy					
Restricted funds:					
Fixed asset funds	17	**4,924,478**		5,039,326	
Restricted income funds	17	**142,592**		176,890	
Restricted funds excluding pension asset	17	**5,067,070**		5,216,216	
Pension reserve	17	**(3,816,000)**		(3,036,000)	
Total restricted funds	17		**1,251,070**		2,180,216
Unrestricted income funds	17		**705,733**		707,393
Total funds			**1,956,803**		2,887,609

The financial statements on pages 29 to 57 were approved by the Trustees, and authorised for issue on 13 December 2021 and are signed on their behalf, by:

N B Henderson

N Henderson
Chair of Trustees

The notes on pages 32 to 57 form part of these financial statements.

Smith's Wood Primary Academy Limited
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	19	**(96,998)**	(102,788)
Cash flows from investing activities	20	**(4,615)**	(158,967)
Change in cash and cash equivalents in the year		**(101,613)**	(261,755)
Cash and cash equivalents at the beginning of the year		**469,914**	731,669
Cash and cash equivalents at the end of the year	21, 22	**368,301**	469,914

The notes on pages 32 to 57 form part of these financial statements

1. General information

Smith's Wood Primary Academy is a private Company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given on page 1 of these financial statements.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 Going concern

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

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable 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 year is deducted from income and recognised as a liability.

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

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

- **Other income**
  Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

2.4 Expenditure

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

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

  All resources expended are inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long term leasehold property	- 2% straight line
Furniture and fixtures	- 20% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 20% straight-line

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

2.8 Debtors

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

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Provisions

Provisions are recognised when the Academy 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.

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Leased assets

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

2. Accounting policies (continued)

2.14 Pensions

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

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

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

2.15 Fund accounting

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affects the reported amount of assets and liabilties and disclosure of contingent assets and liabilties at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policie where judgements or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

4. Donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	2,958	2,917	-	**5,875**
Capital Grants	-	-	14,155	**14,155**
Trip income	-	2,227	-	**2,227**
	2,958	5,144	14,155	**22,257**

4. Donations and capital grants (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	3,145	2,150	-	5,295
Capital Grants	-	-	8,913	8,913
Trip income	-	38,028	-	38,028
	3,145	40,178	8,913	52,236

5. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	1,979,982	**1,979,982**
Other DfE/ESFA grants		
Pupil Premium	278,837	**278,837**
Teachers' pay and pension grants	87,103	**87,103**
UIFSM	61,365	**61,365**
Other ESFA Grants	33,573	**33,573**
	2,440,860	**2,440,860**
Other Government grants		
Nursery Funding & Pupil Premium	139,571	**139,571**
Special Education Grants	6,950	**6,950**
	146,521	**146,521**
Other funding		
Other Grants	425	**425**
Insurance Income	7,116	**7,116**
	7,541	**7,541**
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	34,940	**34,940**
	34,940	**34,940**
	2,629,862	**2,629,862**

5. Funding for the Academy's educational operations (continued)

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	1,932,881	1,932,881
Other DfE/ESFA grants		
Pupil Premium	267,705	267,705
Teachers' pay and pension grants	85,948	85,948
UIFSM	57,744	57,744
Other ESFA Grants	34,078	34,078
	2,378,356	2,378,356
Other Government grants		
Nursery Funding and Pupil Premium	124,643	124,643
Special Education Grants	2,100	2,100
	126,743	126,743
Other funding		
Other Grants	2,000	2,000
Insurance Income	6,390	6,390
	8,390	8,390
	2,513,489	2,513,489

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Teachers' pay and pension grants are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

During the year, the Academy received £34,940 in relation to COVID-19 catch up premium. Expenditure of this grant in the year amounted to £34,940 therefore £nil is carried forward.

6. Other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Hire of facilities	82	-	**82**
School goods income	302	-	**302**
Before and after school income	435	3,243	**3,678**
Other income	9,496	-	**9,496**
	10,315	3,243	**13,558**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Hire of facilities	14,473	-	14,473
School goods income	396	-	396
Before and after school income	557	17,030	17,587
Other income	6,687	-	6,687
	22,113	17,030	39,143

7. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Short term deposits	55	1	**56**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Short term deposits	802	5	807

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Academy's educational operations:				
Direct costs	1,952,424	104,701	177,684	**2,234,809**
Allocated support costs	532,185	78,211	237,334	**847,730**
	2,484,609	182,912	415,018	**3,082,539**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Academy's educational operations:				
Direct costs	1,901,286	103,980	196,549	2,201,815
Allocated support costs	303,043	118,860	302,445	724,348
	2,204,329	222,840	498,994	2,926,163

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	2,234,809	847,730	**3,082,539**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational Operations	2,201,815	724,348	2,926,163

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	**49,000**	42,000
Staff costs	**1,952,424**	1,867,286
Depreciation	**104,701**	103,980
Educational supplies / Catering	**50,204**	57,460
Staff development and other staff costs	**15,788**	19,233
Technology costs	**34,869**	40,178
Consultancy	**19,378**	21,857
Other costs	**5,649**	44,275
Staff related insurance	**2,626**	2,798
Recruitment and other staff expenses	**170**	2,748
	2,234,809	2,201,815

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	**532,185**	337,043
Depreciation	**40,374**	51,223
Educational supplies / Catering	**81,135**	100,294
Technology costs	**7,316**	6,310
Consultancy	**1,450**	1,650
Other costs	**23,044**	32,614
Staff related insurance	**14,467**	23,988
Maintenance of premises and special facilities	**35,857**	46,845
Cleaning and caretaking	**8,394**	7,548
Rates	**13,840**	14,535
Security	**2,146**	1,591
Energy	**39,566**	49,318
Legal and professional	**22,812**	20,565
Transport	**1,601**	1,002
Other premises costs	**23,543**	29,822
	847,730	724,348

10. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	**15,852**	3,363
Depreciation of tangible fixed assets	**145,075**	155,203
Fees paid to auditor for:		
- audit	**6,650**	6,450
- other services	**2,310**	2,880

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	**1,684,453**	1,632,099
Social security costs	**150,996**	138,196
Pension costs	**649,160**	434,034
	2,484,609	2,204,329

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	**24**	26
Administration and support	**56**	59
Management	**2**	2
	82	87

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	**-**	1
In the band £70,001 - £80,000	**-**	1
In the band £80,001 - £90,000	**1**	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £329,900 (2020 - £306,415).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

		2021 £'000	2020 £'000
D Givens, (Principal)	Remuneration	**85 - 90**	70 - 75
	Pension contributions paid	**20 - 25**	15 - 20
V Hudson (staff trustee)	Remuneration	**55 - 60**	40 - 45
	Pension contributions paid	**10 - 15**	5 - 10
A Mills (staff trustee)	Remuneration	**40 - 45**	40 - 45
	Pension contributions paid	**5 - 10**	5 - 10

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £113 (2020 - £80). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	**6,201,423**	**98,224**	**128,857**	**25,208**	**6,453,712**
Additions	**12,515**	**-**	**6,311**	**-**	**18,826**
At 31 August 2021	**6,213,938**	**98,224**	**135,168**	**25,208**	**6,472,538**
Depreciation					
At 1 September 2020	**688,450**	**84,298**	**89,059**	**25,208**	**887,015**
Charge for the year	**123,645**	**9,755**	**11,675**	**-**	**145,075**
At 31 August 2021	**812,095**	**94,053**	**100,734**	**25,208**	**1,032,090**
Net book value					
At 31 August 2021	**5,401,843**	**4,171**	**34,434**	**-**	**5,440,448**
At 31 August 2020	5,512,973	13,926	39,798	-	5,566,697

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	**9,297**	3,930
VAT repayable	**10,729**	6,869
Prepayments and accrued income	**86,605**	59,118
	106,631	69,917

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	**23,681**	17,057
Other taxation and social security	**35,633**	32,553
Other creditors	**49,768**	48,335
Accruals and deferred income	**33,495**	84,974
	142,577	182,919

	2021 £	2020 £
Deferred income at 1 September 2020	**34,207**	37,222
Resources deferred during the year	**24,510**	34,207
Amounts released from previous periods	**(34,207)**	(37,222)
	24,510	34,207

At the balance sheet date, the academy trust was holding funds received in advance for grant income for the autumn term 2021.

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
School building	527,371	-	(11,401)	-	-	515,970
General funds						
Unrestricted funds	180,022	13,328	(3,587)	-	-	189,763
Total Unrestricted funds	707,393	13,328	(14,988)	-	-	705,733
Restricted general funds						
General Annual Grant (GAG)	166,263	1,979,982	(2,009,610)	(4,671)	-	131,964
Other DfE/ESFA grants	-	460,878	(460,878)	-	-	-
Other government grants	-	181,361	(181,361)	-	-	-
Other grants	-	1,750	(1,750)	-	-	-
Other funding generated	-	14,278	(14,278)	-	-	-
School fund	10,627	1	-	-	-	10,628
Pension reserve	(3,036,000)	-	(266,000)	-	(514,000)	(3,816,000)
	(2,859,110)	2,638,250	(2,933,877)	(4,671)	(514,000)	(3,673,408)
Restricted fixed asset funds						
Girft from Local Authority	4,929,650	-	(93,300)	-	-	4,836,350
DfE/ESFA Capital grants	19,568	14,155	(7,122)	-	-	26,601
Capital expenditure from GAG	76,856	-	(29,014)	4,671	-	52,513
Lottery grant	13,252	-	(4,238)	-	-	9,014
	5,039,326	14,155	(133,674)	4,671	-	4,924,478
Total Restricted funds	2,180,216	2,652,405	(3,067,551)	-	(514,000)	1,251,070
Total funds	2,887,609	2,665,733	(3,082,539)	-	(514,000)	1,956,803

17. Statement of funds (continued)

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

Restricted general fund

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

This pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset fund

This fund represents grants received from the DfE, ESFA and Local Authority to carry out works of a capital nature.

Designated Funds

Designated funds comprise unrestricted funds that have been used by the directors for a particular purpose. The funds have been used for the construction of a new school building during previous financial periods.

Transfers between funds

Transfers between funds relate to fixed asset purchases from GAG.

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

17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
School building	395,289	-	(10,680)	142,762	-	527,371
General funds						
Unrestricted funds	168,046	26,060	(14,084)	-	-	180,022
Total Unrestricted funds	563,335	26,060	(24,764)	142,762	-	707,393
Restricted general funds						
General Annual Grant (GAG)	436,216	1,932,881	(2,043,060)	(159,774)	-	166,263
Other DfE/ESFA grants	-	445,475	(445,475)	-	-	-
Other government grants	-	126,743	(126,743)	-	-	-
Other grants	-	2,150	(2,150)	-	-	-
Other funding generated	-	63,448	(63,448)	-	-	-
School fund	10,622	5	-	-	-	10,627
Pension reserve	(2,360,000)	-	(76,000)	-	(600,000)	(3,036,000)
	(1,913,162)	2,570,702	(2,756,876)	(159,774)	(600,000)	(2,859,110)
Restricted fixed asset funds						
Girft from Local Authority	5,022,950	-	(93,300)	-	-	4,929,650
DfE/ESFA Capital grants	19,873	8,913	(9,174)	(44)	-	19,568
Capital expenditure from GAG	99,034	-	(39,234)	17,056	-	76,856
Lottery grant	16,067	-	(2,815)	-	-	13,252
	5,157,924	8,913	(144,523)	17,012	-	5,039,326
Total Restricted funds	3,244,762	2,579,615	(2,901,399)	(142,762)	(600,000)	2,180,216
Total funds	3,808,097	2,605,675	(2,926,163)	-	(600,000)	2,887,609

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	515,970	-	4,924,478	**5,440,448**
Current assets	189,763	285,169	-	**474,932**
Creditors due within one year	-	(142,577)	-	**(142,577)**
Provisions for liabilities and charges	-	(3,816,000)	-	**(3,816,000)**
Total	705,733	(3,673,408)	4,924,478	**1,956,803**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	527,371	-	5,039,326	5,566,697
Current assets	180,022	354,651	5,158	539,831
Creditors due within one year	-	(177,761)	(5,158)	(182,919)
Provisions for liabilities and charges	-	(3,036,000)	-	(3,036,000)
Total	707,393	(2,859,110)	5,039,326	2,887,609

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	**(416,806)**	**(320,488)**
Adjustments for:		
Depreciation	**145,075**	155,203
Capital grants from DfE and other capital income	**(14,155)**	(8,913)
Interest receivable	**(56)**	(807)
Defined benefit pension scheme cost less contributions payable	**217,000**	34,000
Defined benefit pension scheme finance cost	**49,000**	42,000
(Increase)/decrease in debtors	**(36,714)**	20,116
Decrease in creditors	**(40,342)**	(23,899)
Net cash used in operating activities	**(96,998)**	(102,788)

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	**56**	807
Purchase of tangible fixed assets	**(18,826)**	(168,687)
Capital grants from DfE Group	**14,155**	8,913
Net cash used in investing activities	**(4,615)**	(158,967)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	**368,301**	469,914
Total cash and cash equivalents	**368,301**	469,914

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	469,914	(101,613)	368,301
	469,914	(101,613)	368,301

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	12,515

24. Pension commitments

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 Wolverhampton City Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £39,746 were payable to the schemes at 31 August 2021 (2020 - £38,325) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £219,996 (2020 - £206,598).

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

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

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 £185,000 (2020 - £283,000), of which employer's contributions totalled £144,000 (2020 - £243,000) and employees' contributions totalled £ 41,000 (2020 - £40,000). The agreed contribution rates for future years are 20.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	**3.85**	3.20
Rate of increase for pensions in payment/inflation	**2.85**	2.20
Discount rate for scheme liabilities	**1.70**	1.65

24. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	**21.6**	21.9
Females	**24.40**	24.1
Retiring in 20 years		
Males	**23.4**	23.8
Females	**25.8**	26.0

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	**5,466**	4,285
Discount rate -0.1%	**5,803**	4,549
Mortality assumption - 1 year increase	**5,867**	4,583
Mortality assumption - 1 year decrease	**5,407**	4,253
CPI rate +0.1%	**5,651**	4,533
CPI rate -0.1%	**5,613**	4,301

Share of scheme assets

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

	2021 £	2020 £
Equities	**1,106,000**	775,000
Gilts	**150,000**	150,000
Corporate bonds	**111,000**	53,000
Property	**128,000**	104,000
Cash and other liquid assets	**67,000**	91,000
Other	**254,000**	206,000
Total market value of assets	**1,816,000**	1,379,000

The actual return on scheme assets was £259,000 (2020 - £105,000).

24. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	**(361,000)**	(276,000)
Interest income	**24,000**	21,000
Interest cost	**(73,000)**	(63,000)
Administrative expenses	**-**	(1,000)
Total amount recognised in the Statement of Financial Activities	**(410,000)**	(319,000)

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

	2021 £	2020 £
At 1 September	**4,415,000**	3,319,000
Current service cost	**361,000**	276,000
Interest cost	**73,000**	63,000
Employee contributions	**41,000**	40,000
Actuarial losses	**749,000**	725,000
Benefits paid	**(7,000)**	(8,000)
At 31 August	**5,632,000**	4,415,000

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

	2021 £	2020 £
At 1 September	**1,379,000**	959,000
Interest income	**24,000**	21,000
Actuarial gains	**235,000**	125,000
Employer contributions	**144,000**	243,000
Employee contributions	**41,000**	40,000
Benefits paid	**(7,000)**	(8,000)
Administrative expenses	**-**	(1,000)
At 31 August	**1,816,000**	1,379,000

25. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	**127,521**	196,312
Later than 1 year and not later than 5 years	**130**	1,877
	127,651	198,189

26. Members' liability

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

27. Related party transactions

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

During the year, the academy purchased the cleaning services of StarKlean Midlands Limited, the owner of which is related to the Vice Principal. Total services for the year amounted to £545. There was no balance outstanding at the year end.