

Registration number: 07530497

# Bradworthy Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Thompson Jenner LLP  
Statutory Auditors  
28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD



# **Bradworthy Primary Academy**

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## **Bradworthy Primary Academy**

### **Reference and Administrative Details**

**Trustees (Directors)**    B P W Radford, (Chair of Trustees)  
                                     R J Stephenson  
                                     S Huxtable

**Senior Management Team**    R Stephenson, Headteacher  
                                     B Turner, Deputy Headteacher  
                                     S Bryant, School Administrator  
                                     E Disney, Senior Teacher

**Principal and Registered Office**    Bradworthy Primary Academy  
                                     Mill Road  
                                     Bradworthy  
                                     Holsworthy  
                                     Devon  
                                     EX22 7RT

**Company Registration Number**    07530497

**Auditors**    Thompson Jenner LLP  
                                     Statutory Auditors  
                                     28 Alexandra Terrace  
                                     Exmouth  
                                     Devon  
                                     EX8 1BD

## **Bradworthy Primary Academy**

### **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 period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bradworthy, North Devon. It has a pupil capacity of 210 and had a roll of 203 in the May 2020 school census.

#### **Structure, Governance and Management**

##### Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy. The trustees of Bradworthy Primary Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bradworthy Primary Academy.

Details of the Trustee's who served throughout the year are included in the Reference and Administrative Details on page 1.

##### 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.

##### Trustee's Indemnities

The Academy has Indemnity insurance for Trustee's limited to £10,000,000

##### Principal Activities

The principal activity of the Charitable Company is to advance, for the public benefit, education in Bradworthy by establishing, maintaining and operating a school offering a broad curriculum.

##### Method of Recruitment and Appointment or Election of Trustees

The Trustee's are Directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The articles of association require the Trustees of the Charitable Company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy. Up to twelve Governors may be appointed by the Members. The Members may also appoint up to three staff (not including the principal) provided the total number of Governors (including the principal) who are employees of the Academy does not exceed one third of the total number of Governors. The Local Authority, being Devon County Council may appoint up to one LA Governor. A minimum of two and up to four parent governors may be appointed and are elected by the parents of the registered pupils at the Academy. Finally The Secretary of State may appoint additional Governors as he thinks fit if the Secretary of State has given the Governors a warning notice and the Governors have failed to comply or secure compliance, with the notice to the satisfaction of the Secretary of State. Governors' term of office is four years but they are eligible for re-election at the meeting at which they retire.

## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### *Policies and Procedures Adopted for the Induction and Training of Trustees.*

The governors have continued to take a full and appropriate role in the work and development of the academy. Over many years they have developed the experience and skill base required to effectively aid the academy in its work.

Their strategic role, and support for the academy, has been recognised by Ofsted who once again judged the school as Good.

In this period this has included full consideration of the various legislations involved in this process, including financial regulations and controls, and responsibilities for areas such as safeguarding, health and safety and Special Educational needs / Disability (SEND).

They have ensured effective progress towards the academy's development aims, and made appropriate provision for the proper allocation of funds, staff and other resources which support this.

This has been especially challenging at a time when funding remains low and where the academy has had to deal with increased levels of staffing, in response to a growing roll and additional development needs amongst the children in our care.

School accommodation remains inadequate with serious overcrowding becoming an issue in several classrooms. A range of funding avenues have been explored without success and whilst we have been able to build a substantial surplus over a period of years the building project we so badly need remains out of reach. This situation remains a substantial issue and with an increasing local demographic there is a real possibility that our work will be undermined and our ability to serve our local community compromised. We continue to explore various other avenues for funding.

The governors have properly fulfilled their monitoring roll during this period, visiting the academy to experience teaching and learning, and meet with staff and children to consider both practice and development.

The governors have been fully involved in supporting the various processes needed to ensure stability of the academy during a period of potential high instability due to staff absence.

#### *Organisational Structure*

The Trustee's are responsible for setting general policy, adopting a development plan and budget, monitoring the Academy through close liaison with and reporting from the head teacher and through personal observations by visits to the school, making major decisions about the strategic direction of the Academy including capital expenditure and involvement in staff appointments in consultation with the Head Teacher.

The Trustee's are appointed in line with articles 50 to 64 within the Memorandum of Association. When appointing new Trustee's the Governing Body recognises the need to have a wide range of skills amongst the Trustee's.

The Head Teacher is the Accounting Officer for the Academy.

#### *Arrangements for setting pay and remuneration of key management personnel:*

The Headteacher must demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress at the school and will be subject to a review of performance against their performance objectives before any pay increase will be awarded. The clarification of the application of the criteria for Leadership Group progression will be taken fully into account. No pay progression for this post is automatic. Any progression is reviewed and agreed by governors taking into account performance in role and national benchmarks including STPCD.

## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

The Senior Leadership Team (SLT) must demonstrate sustained high quality of performance in respect of school leadership and management and pupil progress and will be subject to a review of performance against their performance objectives before any performance points will be awarded. The clarification of the application of the criteria for Leadership Group progression will be taken fully into account. Annual pay progression within the pay range for these posts is not automatic. Any progression will normally be by one point, but the governing body may consider movement by two points in exceptional circumstances. The national leadership scales as agreed by all unions in 2018 based on STPCD recommendations apply.

#### Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Bradworthy Academy Trust. The Academy encourages strong communication links between the various parent and community forum groups which are linked to the schools.

#### **Objectives and Activities**

The principal objectives and activities of the Charitable Company are the operation of the Academy known as Bradworthy Primary Academy and to provide a differentiated free education for students between the ages of 4 and 12. In setting the objectives and planning the activities the Trustee's have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

#### Objectives

The main objectives of the Academy during the year ended 31 August 2020 are summarised below:

- to deliver high quality education and care to all students within the Academy,
- to maintain and enhance the standards and achievements of all pupils,
- to include and meet the needs of all pupils whatever their educational need,
- to review and enrich the curriculum to provide a broad and balanced curriculum,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### Strategy

The Academy's main strategy is to create and promote a happy and enriching learning environment by working in partnership with parents and the community that will inspire children to achieve high standards. The Academy hopes that by celebrating the children's achievements, helping them fulfil their potential, respecting their differences and encouraging kindness, consideration and respect for each other and their environment, we will foster self-esteem and provide a sound foundation for their future life. The Academy aims do it's very best to offer a broad and balanced curriculum and a large range of extracurricular activities.

The Academy has reviewed its development plan and is setting a new five year plan, which details how it intends to achieve the aims and objectives. The activities provided include:

- teaching and learning opportunities to ensure each child achieves to their full potential,
- training opportunities for all staff,
- a programme of enrichment and extension activities for all students,
- developing strong collaborative partnerships with other schools and organisations.

## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### *Public Benefit*

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

#### **Achievements and Performance**

We have continued to work to embed our academy's ethos which outlines and explains the educational philosophy in which we believe, and which forms the corner-stone of our current work and the academy's future development.

When last inspected by Ofsted they were very positive about our work and the standards that we achieve by the time children leave the school at the end of Key Stage Two. They were impressed with the range and breadth of our curriculum and extra-curricular activities.

The effects of COVID-19, including full school closure from March until June and partial closure throughout June and July, were dramatic and very far reaching. Most children were educated online and at home through the Summer Term, however we operated a service for vulnerable children and those of key-workers throughout. Children in Year Six returned to school on a full time basis, and those in Reception and Year One on a rota, during June and July.

Academic standards amongst our Year Six Cohort were very high in July 2020, however this is based on school based assessments as end of Key Stage SATs were cancelled due to COVID-19. Strong indications of the effect of absence from school on standards was already presenting itself in July 2020 and redressing this will be a key aspect of our work in school in coming years.

Rates of attendance were better than average up until school closure in March 2020. There have been no exclusions during this period.

The academy places a great emphasis on our extended curriculum, offering a huge range of heavily subsidised activities and trips, both within and beyond, the school day because we believe that this a very positive effect on the children's development as rounded individuals as well as on academic standards.

We work hard to embed this approach to learning and in support of this, and with the help of our pupil premium, we now fund and operate three minibuses which we subsidise so that they may be used freely by all children.

All residential and day trips are subsidised, often by as much as 50%

Sport, art and music are central parts of our work.

We employ specialist teachers and coaches (for athletics, running, football, climbing, surfing, kayaking, swimming and gymnastics) to ensure that all children achieve high standards and enjoy regular access, older children are achieving at least five hours of activities based on sport and fitness.

Teams have represented the academy in most traditional sports, with high levels of success in rugby, hockey, football and cross country running both locally and in regional competitive events.

We have also developed, and extended, our curriculum so that children have access to a range of adventurous activities and forest school.

## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

The creative arts are key to our work and we employ specialist teachers who support and extend the children's work in music, art and drama. Free tuition is offered on a weekly basis and supports brass band, ukulele choir and guitar groups.

We have produced a large scale Christmas Musical based on "Queen Martha and the Knights of the Oblong Table", and held a number of different concerts with the children performing in groups such as; brass band, choir, ukulele group and rock group.

Since March 2020 COVID-19 had a devastating effect on our provision and our extended curriculum, including the cancellation of all four residential trips, day trips and sports activities and the discontinuation of all extended activities and clubs. In addition to this we were forced to cancel our annual art exhibition and a large number of sports fixtures and activities. A relaxation of regulations in July enabled us to salvage some of our Year Six summer programme and the children were able to visit a wake-board park, walk on Dartmoor, surf, kayak and climb during the last three weeks of term.

Careful budgeting and a growing school roll have enabled us to fully support our teaching groups. Average Class sizes have grown to twenty-nine through this period and in some classes this is much higher.

Continued building work in the village seems likely to grow our roll further in the next few years, which will once again put pressure on our accommodation. We anticipate that the school will be completely full in September 2020.

The school remains overcrowded in four classes where some children now have 65% less space than would be expected nationally.

We have continued attempt to deal with this in a proactive way by raising funds for building new accommodation, however we have had little support and no success in this period.

The academy continued to offer a free childcare service, opening from 8.00am until 5.30pm each day, in support of the local community so that parents and carers can attend work and training without the constraints of a short school day or the prohibiting factors of expensive childcare. This was suspended throughout the Summer Term due to COVID-19.

The academy has continued to take an active role in local community life.

This has included the use of its facilities and grounds by local groups, the use of the village hall, church and chapel for various events, support for aspects of local development such as the play area and housing initiatives, and regular contributions to the village newspaper.

We have continued to accept students involved in teacher training. A member of our staff has begun work as a member of the teaching apprentice scheme.

#### *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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### *Key Performance Indicators*

The main financial performance indicator is the level of reserves held at the balance sheet date as well as the number of pupils at the school as this is what the DfE funding is based on.



## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Financial Review**

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2020, total restricted and unrestricted expenditure (excluding restricted fixed assets funds and pensions reserves) of £904,802 was more than covered by recurrent grant funding from the DfE together with other incoming resources totalling £962,120. The excess for the year ended 31 August 2020 was £57,318.

#### Restricted Funds

In the year, the Trust has received General Annual Grant (GAG) income totalling £771,255. The trust spent £714,859 of this on GAG activities. Of this, 95% was spent on salary costs.

The trust received £6,228 of Capital Grants in the year from the Devolved Formula Capital grant of which £2,625 was spent on general improvements to the school.

The Trust carries forward £75,470 into the next accounting period (excluding the restricted fixed asset fund and pension reserve).

#### Unrestricted Funds

The trust generated £16,395 of its own income. £12,218 of this related to Catering. The trust received £263 of voluntary donations in the year not including donations for capital items.

The Trust carries forward a balance of £148,160 on the unrestricted fund to the next accounting year.

#### Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. The Trustees consider that unrestricted reserves of £148,160 are appropriate to cover unexpected costs with a possibly higher carry forward for specific capital projects.

#### Investment Policy

The Trustees are committed to ensuring that all funds managed by the academy on their behalf are used in such a way as to maximise return whilst minimising risk. This is not a key activity for the school and the risk profile of any investments made should be low but should provide an effective utilisation of school assets.

Where cash balances are held the Trustees ensure that these are deposited in a suitable account seeking a high rate of return at a low risk. Cash investments are monitored to ensure these are inline with the objectives of the Academy.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund.

## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### *Principal Risks and Uncertainties*

##### *Income*

As the Academy has one main funder, being the DfE, there is a reliance on this funding remaining at a level sufficient to cover the financial requirements of the Academy. This is outside the control of the Academy.

##### *Pupil numbers*

As the DfE funding is based on pupil numbers, the Academy is reliant on the demographics of the catchment areas and parental preference.

##### *Cashflow risk*

The Academy currently considers that it has sufficient cash reserves for normal day to day operations.

#### **Fundraising**

The majority of fundraising for the Academy is carried out by the Parent Teacher Association. Events such as raffles, music and social events all contribute towards raising funds. The funds are then donated to the school to purchase equipment and furniture for the benefit of the students.

Fundraising events are advertised through posters, newsletters and the school website. No direct targeting of individuals is used to raise funds.

#### **Plans for Future Years**

Projections suggest that our roll will continue to increase leading to continuing problems with overcrowding, which will inevitably precluding many activities and prove a bar to continued development in many areas. We have growing concerns about our work being undermined and this has been exacerbated by the effect of COVID-19 closure on academic standards.

Toilet facilities are inadequate.

Children in Years One, Two, Three and Four are forced to work and learn in classrooms which are overcrowded and far too small for the needs of even a basic curriculum.

Additionally there is no Headteacher's office and no available areas for Special Educational Needs teaching.

All of the above will form the basis of continued attempts to obtain additional funds for buildings work.

We have continued to review and develop our own teaching and learning policy and procedures and develop the curriculum that we offer our children. This is set firmly in the context of our ethos and will be on-going for several years. It will be impossible to maximize this development as long as we are forced to endure substandard facilities.

Effective coordination is key, and in order to increase the effectiveness of this, and whole staff involvement in this we continue to operate a system of Key Stage coordination, rather than subject coordination. Ofsted were impressed by this approach.

We are continuing to develop the way in which we go about monitoring standards in our school, with particular reference to Key Stage One and the extent to which children with higher levels of ability are stretched and achieve at the end of Year Two.

## **Bradworthy Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

There will be continued focus on children's progress through our phonics programme so that good levels of achievement are apparent at the end of Year One.

Detailed development plans have been prepared and agreed, however they were abandoned due to COVID-19. The demands placed on us as a staff by COVID-19 were, and are, too all-encompassing and time consuming for other aspects of school development to be a realistic proposition. Instead we decided that issues relating to academic standards and pupil welfare were, and are, of a much higher importance and concern. It is anticipated that this will continue to be the case in the coming year.

## **Bradworthy Primary Academy**

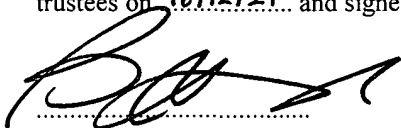
### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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 members of the board of trustees on 16/12/21 and signed on its behalf by:



B P W Radford

Trustee

# **Bradworthy Primary Academy**

## **Governance Statement**

### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to R J Stephenson, 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 Bradworthy Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Huxtable	4	4
B P W Radford	4	4
R J Stephenson	4	4

Actual meetings of our full governing body have been limited to four this year due to COVID-19. Additional meeting have taken place online via "Zoom".

Governors with key responsibilities, such as safeguarding, have held appropriate meetings with members of staff, and contracted agencies (such as our accountants) to ensure compliance as well as the effective application of procedures.

Our SMT has worked closely with governors to ensure stability at a time of potential risk and that fact that our outcomes (in terms of finance, pupil attainment and involvement, staffing and our environment) have remained strong show the effectiveness of this approach. Our SMT has reported directly to our Trustee's during this period, enabling them to oversee the operation of the school – especially when key members of staff have been unavailable. In addition, governors have carried out monitoring visits and met with members of staff who have key responsibilities in school to ensure effective oversight.

### **Governance reviews**

A review of the governance is performed on an annual basis

The Board of Trustees consider that there is currently a good balance of skills on the Board taking into account the size of the Academy.

### **Review of value for money**

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

## **Bradworthy Primary Academy**

### **Governance Statement (continued)**

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

#### *Improvement of Educational Results*

We have maintained the highest of academic standards and this is something which has been consistently the case for twenty years now.

#### *Financial Governance and Oversight*

Our Trustees and the Accounting Officer are fully involved in financial governance and oversight. Budget setting is fully considered prior to the start of each financial year in relation to our school roll and available funds, within the context of the Academy's needs and developmental aims. Management accounts are prepared and examined at each Trustees' meeting so that actual spending can be compared to original plans and allocations of funds. This allows challenging discussion in relation to the way funds are facilitating the successful running of the Academy and its development in relation to the Academy's ethos and reported outcomes. Full evaluation of the success of our work and the effect that funding has on development is key because this, in turn, leads to better financial planning so that available funds can be effectively targeted in the future.

#### *Better Purchasing*

Appraisal of our various contracts and service providers is part of our annual work and we are constantly seeking opportunities for more cost effective options. This is a real challenge, especially where the provision of services such as water and energy are concerned, and whilst the installation of a biomass heating system is providing significant savings, other areas, such as the cost of water, electricity and internet connectivity, are proving difficult to control and are of concern.

Our budget is based on the funds made available to Devon LA and as such it is very low in comparison to schools nationally. We have worked hard to achieve low adult / pupil ratios and as policy our staffing levels are high and this necessitates relatively low levels of curriculum spending.

Our monitoring leads us to believe that all purchases are targeted, represent good value and that waste is at an absolute minimum. Where available, options are appropriately considered prior to purchase so that goods and services are appropriate to our needs and of value. The nature of our isolated rural community often leads to limited opportunities where economies of scale are concerned, however it is our policy to use our funds in within the local community wherever possible and we believe that this provides excellent value for money.

#### *Income Generation*

Opportunities for the generation of additional income are limited by the nature of our work and the community in which we operate. We operate a thriving school meals service, and whilst it is non-profit making and subsidised by our general budget, it produces a good annual income which allows it to remain tenable. The need for additional equipment to provide for the increased demands for meals as a result of the government's free school meals initiative has been challenging, but achieved, as there was no access to additional external funding for our academy.

Various fundraising initiatives, including those facilitated by our "PTA" have raised money which provides much needed "extras" which wouldn't otherwise be unaffordable.

## **Bradworthy Primary Academy**

### **Governance Statement (continued)**

#### *Review of Controls and Management of Risks*

We operate within the context of a small village school with the resources for only limited staffing. Our budget is small and the financial margins within which we work very tight. The level of financial risk is low and in the view of our governing body our controls are measured and appropriate. Review of our arrangements is an integral part of the discussions, and work, of our governors.

#### *Lessons Learned*

We operate a very tight budget with a growing roll leading to significant difficulties relating to the provision of staffing on funds based on a census return which is nearly twelve months out of date at the start of the new financial year.

We have operated for many years in an area of very low financial resource, and whilst academy status has allowed greater flexibility and control, there is still disparity between our status and the national average. Within this context we have constantly reviewed and adapted the way in which we allocate our funds to achieve our aims. In the view of our governors our academy achieves outstanding results with very limited funds, and as such we believe that we offer outstanding value for money.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

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

## **Bradworthy Primary Academy**

### **Governance Statement (continued)**

#### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function.

The board of trustees has decided to appoint Thompson Jenner LLP as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a timely basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.



## **Bradworthy Primary Academy**

### **Governance Statement (continued)**

#### **Review of effectiveness**

As Accounting Officer, R J Stephenson has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

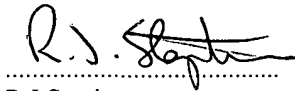
- the work of the responsible officer and internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the finance staff within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 16/12/21 and signed on its behalf by:



B P W Radford  
Trustee



R J Stephenson  
Trustee

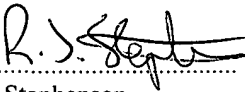
## **Bradworthy Primary Academy**

### **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of Bradworthy Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



R J Stephenson  
Accounting officer

Date: 16.12.21

## **Bradworthy Primary Academy**

### **Statement of Trustees' Responsibilities**

The Trustees (who act as the governors of Bradworthy Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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:

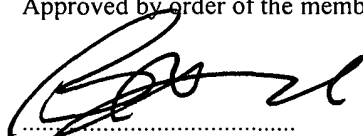
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the 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 on 16/12/21 and signed on its behalf by:



B P W Radford  
Trustee

## **Bradworthy Primary Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Bradworthy Primary Academy**

#### **Opinion**

We have audited the financial statements of Bradworthy Primary Academy (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 results 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 Charities SORP 2019 and Academies Accounts Direction 2019 to 2020; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis of 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 original financial statements were 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.

#### **Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Bradworthy Primary Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Bradworthy Primary Academy (continued)**

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Trustees' Responsibilities [set out on page 17], the Trustees 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:

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.

## **Bradworthy Primary Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Bradworthy Primary Academy (continued)**

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

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 engagement partner 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 trustees 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 Companies Act 2006, Charities Act 2019, The academies Accounts Direction, the Academies Financial Handbook, The Equality Act, The Data Protection Act in addition to various employment, environmental, fire safety, health and safety legislation and safeguarding legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of 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 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.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

## **Bradworthy Primary Academy**


### **Independent Auditor's Report on the Financial Statements to the Members of Bradworthy Primary Academy (continued)**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Trustees, 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 trustees 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

 Thompson Jenner LLP

.....  
Simon Lewis (Senior Statutory Auditor)  
For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD

Date: 22<sup>nd</sup> December 2021

## **Bradworthy Primary Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Bradworthy Primary Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 9 December 2014 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 Bradworthy Primary Academy during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 1 March 2011 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 from 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentaion providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant assumptions
- Evaluation of incoming resources and resources expended being in line with the charitable objectives of the academy and in line with any restrictions imposed.




## **Bradworthy Primary Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Bradworthy Primary Academy and the Education and Skills Funding Agency (continued)**

#### **Conclusion**

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

 Thompson Jenner LLP

.....  
Simon Lewis

For and on behalf of Thompson Jenner LLP, Chartered Accountants

28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD

Date: 22<sup>nd</sup> December 2021

## Bradworthy Primary Academy

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	720	-	6,273	6,993
Other trading activities	4	10,563	-	-	10,563
Investments	5	8	-	-	8
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	<u>11,295</u>	<u>1,039,762</u>	<u>-</u>	<u>1,051,057</u>
Total		<u>22,586</u>	<u>1,039,762</u>	<u>6,273</u>	<u>1,068,621</u>
<b>Expenditure on:</b>					
Raising funds	6	15,983	26,269	-	42,252
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>98</u>	<u>1,010,877</u>	<u>32,828</u>	<u>1,043,803</u>
Total		<u>16,081</u>	<u>1,037,146</u>	<u>32,828</u>	<u>1,086,055</u>
Net income/(expenditure)		6,505	2,616	(26,555)	(17,434)
Transfers between funds		-	(3,430)	3,430	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	<u>-</u>	<u>(41,000)</u>	<u>-</u>	<u>(41,000)</u>
Net movement in funds/(deficit)		6,505	(41,814)	(23,125)	(58,434)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		<u>148,160</u>	<u>(614,530)</u>	<u>1,455,533</u>	<u>989,163</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>154,665</u>	<u>(656,344)</u>	<u>1,432,408</u>	<u>930,729</u>

# Bradworthy Primary Academy

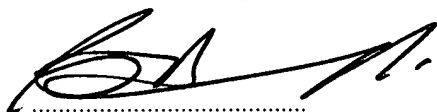
## Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	263	-	6,228	6,491
Other trading activities	4	3,804	2,200	-	6,004
Investments	5	110	-	-	110
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	12,218	943,525	-	955,743
Total		16,395	945,725	6,228	968,348
<b>Expenditure on:</b>					
Raising funds	6	15,375	5,844	-	21,219
<i>Charitable activities:</i>					
Academy trust educational operations	7	98	939,485	28,943	968,526
Total		15,473	945,329	28,943	989,745
Net income/(expenditure)		922	396	(22,715)	(21,397)
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(160,000)	-	(160,000)
Net movement in funds/(deficit)		922	(159,604)	(22,715)	(181,397)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		147,238	(454,926)	1,478,248	1,170,560
Total funds/(deficit) carried forward at 31 August 2020		148,160	(614,530)	1,455,533	989,163

**Bradworthy Primary Academy**  
**(Registration number: 07530497)**  
**Balance Sheet as at 31 August 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	1,432,408	1,435,675
<b>Current assets</b>			
Debtors	12	17,987	10,775
Cash at bank and in hand		<u>356,276</u>	<u>282,799</u>
		374,263	293,574
Creditors: Amounts falling due within one year	13	<u>(64,942)</u>	<u>(50,086)</u>
Net current assets		<u>309,321</u>	<u>243,488</u>
Total assets less current liabilities		<u>1,741,729</u>	<u>1,679,163</u>
Net assets excluding pension liability		1,741,729	1,679,163
Pension scheme liability	22	<u>(811,000)</u>	<u>(690,000)</u>
Net assets including pension liability		<u>930,729</u>	<u>989,163</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		154,656	75,470
Restricted fixed asset fund		1,432,408	1,455,533
Restricted pension fund		<u>(811,000)</u>	<u>(690,000)</u>
		776,064	841,003
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>154,665</u>	<u>148,160</u>
Total funds		<u>930,729</u>	<u>989,163</u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 16/12/21 and signed on their behalf by:



.....  
B P W Radford  
Trustee

## **Bradworthy Primary Academy**

### **Statement of Cash Flows for the year ended 31 August 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	96,757	66,681
Cash flows from investing activities	18	<u>(23,280)</u>	<u>3,713</u>
Change in cash and cash equivalents in the year		73,477	70,394
Cash and cash equivalents at 1 September		<u>282,799</u>	<u>212,405</u>
Cash and cash equivalents at 31 August	19	<u><u>356,276</u></u>	<u><u>282,799</u></u>

## **Bradworthy Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1 Accounting policies**

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

##### **Basis of preparation**

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

The trustees have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements.

The trustees have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 and there is a robust system of procedures and internal controls in place in order to deal with any associated risks.

##### **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 company 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### **Grants**

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

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

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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## **Bradworthy Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### ***Sponsorship income***

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

##### ***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 period it is receivable and to the extent the academy trust has provided the goods or services.

##### ***Donated goods, facilities and services***

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### ***Donated fixed assets***

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### ***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.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

## **Bradworthy Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### ***Charitable activities***

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

##### **Tangible fixed assets**

Assets costing £250 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land	Straight line over lease term
Leasehold buildings	2% straight line basis
Fixtures, fittings and equipment	20% straight line basis
Computer equipment	20% straight line basis

##### **Liabilities**

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

##### **Provisions**

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

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

##### **Leased assets**

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



## **Bradworthy Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Taxation**

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

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

##### **Pension benefits**

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

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

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

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 1 Accounting policies (continued)

##### Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

##### Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	6,273	6,273	6,228
Other donations	720	-	720	263
	<u>720</u>	<u>6,273</u>	<u>6,993</u>	<u>6,491</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant	-	827,024	827,024	771,255
Universal Infant Free School Meals	-	39,884	39,884	32,787
Other DfE/EFA Grants	-	27,601	27,601	27,050
Pupil premium	-	65,734	65,734	63,074
Teachers pension grant	-	27,834	27,834	26,451
	<u>-</u>	<u>988,077</u>	<u>988,077</u>	<u>920,617</u>
<b>Other government grants</b>				
Special Educational Grants	-	8,600	8,600	10,408
<b>Non-government grants and other income</b>				
Catering Income	11,295	-	11,295	12,218
Sales to students	-	7,062	7,062	4,158
Educational trips and visits	-	16,443	16,443	5,342
Other Income	-	-	-	3,000
	<u>11,295</u>	<u>23,505</u>	<u>34,800</u>	<u>24,718</u>
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	17,600	17,600	-
Other DfE/ESFA COVID-19 funding	-	1,980	1,980	-
	<u>-</u>	<u>19,580</u>	<u>19,580</u>	<u>-</u>
<b>Total grants</b>	<u>11,295</u>	<u>1,039,762</u>	<u>1,051,057</u>	<u>955,743</u>

The academy received £17,600 of funding for catch-up premium and costs incurred in respect of this funding totalled £1,740, with the remaining £15,860 to be spent in 2021/22.

# Bradworthy Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 4 Other trading activities

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	2,750	2,750	2,750
Other sales	7,813	7,813	3,254
	<u>10,563</u>	<u>10,563</u>	<u>6,004</u>

### 5 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	8	8	110

### 6 Expenditure

	Non Pay Expenditure			2020/21 Total £	2019/20 Total £
	Staff costs £	Premises £	Other costs £		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	42,252	42,252	21,219
<b>Academy's educational operations</b>					
Direct costs	651,585	-	42,249	693,834	664,797
Allocated support costs	209,238	82,197	58,534	349,969	303,729
	<u>860,823</u>	<u>82,197</u>	<u>143,035</u>	<u>1,086,055</u>	<u>989,745</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2020/21 £	2019/20 £
Operating lease rentals	10,286	15,272
Depreciation	32,828	28,944
Fees payable to auditor - audit	5,000	4,500
- other audit services	4,136	3,850
	<u>1,043,803</u>	<u>968,526</u>

#### 7 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	693,834	664,797
Support costs - educational operations	349,969	303,729
	<u>1,043,803</u>	<u>968,526</u>
	<b>Total 2021 £</b>	<b>Total 2020 £</b>

#### Analysis of support costs - Educational operations

Support staff costs	209,238	176,381
Depreciation	32,828	28,943
Technology costs	12,249	7,016
Premises costs	49,369	44,797
Other support costs	39,772	39,614
Governance costs	6,513	6,978
Total support costs	<u>349,969</u>	<u>303,729</u>

#### 8 Staff

##### Staff costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	608,313	572,813
Social security costs	46,102	42,114
Pension costs	206,408	175,878
	<u>860,823</u>	<u>790,805</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2020/21 No	2019/20 No
Teachers	8	12
Administration and support	19	23
Management	2	1
	<u>29</u>	<u>36</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2021 No	2020 No
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £241,591 (2020: £183,041).

#### 9 Related party transactions - trustees' remuneration and expenses

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

R J Stephenson (principal and trustee):

Remuneration: £70,000 - £75,000 (2020 - £65,000 - £70,000)

Employer's pension contributions: £15,000 - £20,000 (2020 - £15,000 - £20,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £Nil) were reimbursed or paid directly to 0 trustees (2020 - 0).

Other related party transactions involving the trustees are set out in note 23.

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2020	1,613,556	-	33,276	25,038	1,671,870
Additions	<u>-</u>	<u>11,355</u>	<u>-</u>	<u>18,206</u>	<u>29,561</u>
At 31 August 2021	<u>1,613,556</u>	<u>11,355</u>	<u>33,276</u>	<u>43,244</u>	<u>1,701,431</u>
<b>Depreciation</b>					
At 1 September 2020	183,288	-	30,308	22,599	236,195
Charge for the year	<u>28,271</u>	<u>-</u>	<u>1,157</u>	<u>3,400</u>	<u>32,828</u>
At 31 August 2021	<u>211,559</u>	<u>-</u>	<u>31,465</u>	<u>25,999</u>	<u>269,023</u>
<b>Net book value</b>					
At 31 August 2021	<u>1,401,997</u>	<u>11,355</u>	<u>1,811</u>	<u>17,245</u>	<u>1,432,408</u>
At 31 August 2020	<u>1,430,268</u>	<u>-</u>	<u>2,968</u>	<u>2,439</u>	<u>1,435,675</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 12 Debtors

	2021 £	2020 £
VAT recoverable	3,605	1,330
Prepayments	13,158	9,445
Accrued grant and other income	1,224	-
	<u>17,987</u>	<u>10,775</u>

#### 13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	8,377	10,483
Accruals	22,746	7,157
Deferred income	18,803	18,414
Pension scheme creditor	15,016	14,032
	<u>64,942</u>	<u>50,086</u>
	<b>2021 £</b>	<b>2020 £</b>

#### Deferred income

Deferred income at 1 September 2020	18,414	18,227
Resources deferred in the period	18,803	18,414
Amounts released from previous periods	<u>(18,414)</u>	<u>(18,227)</u>
Deferred income at 31 August 2021	<u>18,803</u>	<u>18,414</u>

At the balance sheet date the Academy was holding funds received in advance for Universal Infant Free School Meals funding.



## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 14 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant	75,470	827,024	(760,268)	(3,430)	138,796
Universal Free School Meals	-	39,884	(39,884)	-	-
Other DfE/EFA Grants	-	55,435	(55,435)	-	-
Other Restricted Funds	-	23,505	(23,505)	-	-
Other Government Grants	-	8,600	(8,600)	-	-
Pupil Premium	-	65,734	(65,734)	-	-
Catch-up Premium	-	17,600	(1,740)	-	15,860
Other DfE/ESFA COVID-19 funding	-	1,980	(1,980)	-	-
	<u>75,470</u>	<u>1,039,762</u>	<u>(957,146)</u>	<u>(3,430)</u>	<u>154,656</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA Capital Grant	378,077	6,273	(11,729)	-	372,621
Capital Expenditure from Unrestricted Funds	37,956	-	(904)	-	37,052
Capital Expenditure from GAG	45,496	-	(1,866)	3,430	47,060
Fixed Assets from Predecessor School	<u>994,004</u>	<u>-</u>	<u>(18,329)</u>	<u>-</u>	<u>975,675</u>
	1,455,533	6,273	(32,828)	3,430	1,432,408
<b>Restricted pension funds</b>					
Pension Reserve	<u>(690,000)</u>	<u>-</u>	<u>(80,000)</u>	<u>(41,000)</u>	<u>(811,000)</u>
Total restricted funds	841,003	1,046,035	(1,069,974)	(41,000)	776,064
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>148,160</u>	<u>22,586</u>	<u>(16,081)</u>	<u>-</u>	<u>154,665</u>
Total funds	<u>989,163</u>	<u>1,068,621</u>	<u>(1,086,055)</u>	<u>(41,000)</u>	<u>930,729</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 14 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant	19,074	771,255	(714,859)	-	75,470
Universal Free School Meals	-	32,787	(32,787)	-	-
Other DfE/EFA Grants	-	116,575	(116,575)	-	-
Other Restricted Funds	-	14,700	(14,700)	-	-
Other Government Grants	-	10,408	(10,408)	-	-
	<u>19,074</u>	<u>945,725</u>	<u>(889,329)</u>	<u>-</u>	<u>75,470</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA Capital Grant	382,002	6,228	(10,153)	-	378,077
Capital Expenditure from Unrestricted Funds	38,860	-	(904)	-	37,956
Capital Expenditure from GAG	48,082	-	(2,586)	-	45,496
Fixed Assets from Predecessor School	<u>1,009,304</u>	<u>-</u>	<u>(15,300)</u>	<u>-</u>	<u>994,004</u>
	1,478,248	6,228	(28,943)	-	1,455,533
<b>Restricted pension funds</b>					
Pension Reserve	<u>(474,000)</u>	<u>-</u>	<u>(56,000)</u>	<u>(160,000)</u>	<u>(690,000)</u>
Total restricted funds	1,023,322	951,953	(974,272)	(160,000)	841,003
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>147,238</u>	<u>16,395</u>	<u>(15,473)</u>	<u>-</u>	<u>148,160</u>
Total funds	<u><u>1,170,560</u></u>	<u><u>968,348</u></u>	<u><u>(989,745)</u></u>	<u><u>(160,000)</u></u>	<u><u>989,163</u></u>

## **Bradworthy Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **14 Funds (continued)**

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

**General Annual Grant (GAG)** – This fund includes income from the ESFA which is to be used for the running costs of the Academy, including education and support costs. Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG that could be carried forward.

**Pupil Premium** - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their peers.

**Universal Infant Free School Meals (UIFSM)** – This grant income has been received to support the Academy in delivering the legal requirement to offer free school meals, meeting the school food standards, to all pupils in year groups reception, year 1 and year 2.

**Teachers' Pension Grant** - This is funding provided by the ESFA to support schools with the cost of the increase in employer contributions to the teachers' pension scheme.

**Other DfE/ESFA Grants** – Includes the PE and Sport grant is to provide additional and sustainable improvements to the quality of PE and sport and the teachers pay grant.

**Coronavirus Catch-up** - This is funding provided by the ESFA to support children and young people to catch up on missed learning caused by coronavirus (COVID-19).

**Other Restricted Funds** - This includes income relating to the provision of trips and visits provided by the school and donations received for specific projects.

**Other Government Grants** – This includes grant funding received from the local authority towards the costs of providing teaching and support for pupils with special educational needs.

**Pension Reserve** – This fund represents the pension deficit for Local Government Pension Scheme (LGPS) as revalued in note 22.

**DfE/ESFA capital grants** – Grants from the ESFA/DfE to be spent on capital related expenditure.

**Capital expenditure from GAG** – This fund includes transfers from the GAG restricted fund for capital related expenditure.

**Fixed assets from predecessor school** – This fund relates to the transfer of fixed assets on conversion to academy status from the previous school.

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 15 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,432,408	1,432,408
Current assets	154,665	219,598	-	374,263
Current liabilities	-	(64,942)	-	(64,942)
Pension scheme liability	-	(811,000)	-	(811,000)
Total net assets	<u>154,665</u>	<u>(656,344)</u>	<u>1,432,408</u>	<u>930,729</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,435,675	1,435,675
Current assets	148,160	125,556	19,858	293,574
Current liabilities	-	(50,086)	-	(50,086)
Pension scheme liability	-	(690,000)	-	(690,000)
Total net assets	<u>148,160</u>	<u>(614,530)</u>	<u>1,455,533</u>	<u>989,163</u>

#### 16 Long-term commitments, including operating leases

##### *Operating leases*

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

	2021 £	2020 £
Amounts due within one year	15,596	9,963
Amounts due between one and five years	<u>37,147</u>	<u>24,490</u>
	<u>52,743</u>	<u>34,453</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2021 £	2020 £
Net expenditure	(17,434)	(21,397)
Depreciation	32,828	28,944
Capital grants from DfE and other capital income	(6,273)	(6,228)
Interest receivable	(8)	(110)
Defined benefit pension scheme cost less contributions payable	70,000	48,000
Defined benefit pension scheme finance cost	10,000	8,000
(Increase)/decrease in debtors	(7,212)	6,658
Increase in creditors	14,856	2,814
Net cash provided by Operating Activities	<u>96,757</u>	<u>66,681</u>

#### 18 Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	8	110
Purchase of tangible fixed assets	(29,561)	(2,625)
Capital grants from DfE/EFA	6,273	6,228
Net cash (used in)/provided by investing activities	<u>(23,280)</u>	<u>3,713</u>

#### 19 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>356,276</u>	<u>282,799</u>
Total cash and cash equivalents	<u>356,276</u>	<u>282,799</u>

#### 20 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	<u>282,799</u>	<u>73,477</u>	<u>356,276</u>
Total	<u>282,799</u>	<u>73,477</u>	<u>356,276</u>

## **Bradworthy Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **21 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.

#### **22 Pension and similar obligations**

The Academy Trust'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 Devon County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £15,016 (2020 - £14,032) were payable to the schemes at 31 August and are included within creditors.

#### **Teachers' Pension Scheme**

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

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

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £90,261 (2020: £88,976).

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

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £58,000 (2020 - £50,000), of which employer's contributions totalled £45,000 (2020 - £39,000) and employees' contributions totalled £13,000 (2020 - £11,000). The agreed contribution rates for future years are 17.6 per cent for employers and between 5.5 per cent to 9.9 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.70	1.60
Inflation assumptions (CPI)	2.90	2.30
RPI increases	<u>3.20</u>	<u>3.10</u>

#### Sensitivity analysis

	At 31 August 2021 £'000	At 31 August 2020 £'000
Discount rate +0.1%	1,462	1,187
Discount rate -0.1%	1,533	1,245
Mortality assumption – 1 year increase	1,556	1,261
Mortality assumption – 1 year decrease	1,440	1,173
CPI rate +0.1%	1,528	1,241
CPI rate -0.1%	<u>1,466</u>	<u>1,191</u>

## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 22 Pension and similar obligations (continued)

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

	2021	2020
<b>Retiring today</b>		
Males retiring today	22.70	22.90
Females retiring today	24.00	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.00	24.30
Females retiring in 20 years	<u>25.40</u>	<u>25.50</u>

The Academy Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2021 £	At 31 August 2020 £
Equities	430,000	314,000
Gilts	87,000	19,000
Other bonds	13,000	25,000
Property	55,000	42,000
Cash and other liquid assets	-	6,000
Other	<u>101,000</u>	<u>120,000</u>
Total market value of assets	<u>686,000</u>	<u>526,000</u>

The actual return on scheme assets was £110,000 (2020 - £2,000).



## Bradworthy Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 22 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2020/21 £	2019/20 £
Current service cost (net of employee contributions)	70,000	48,000
Net interest cost	<u>10,000</u>	<u>8,000</u>
Total amount recognized in the SOFA	<u><u>80,000</u></u>	<u><u>56,000</u></u>

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

	2020/21 £	2019/20 £
At start of period	1,216,000	927,000
Current service cost	115,000	87,000
Interest cost	19,000	17,000
Employee contributions	13,000	11,000
Actuarial (gain)/loss	142,000	182,000
Benefits paid	<u>(8,000)</u>	<u>(8,000)</u>
At 31 August	<u><u>1,497,000</u></u>	<u><u>1,216,000</u></u>

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

	2020/21 £	2019/20 £
At start of period	526,000	453,000
Interest income	9,000	9,000
Actuarial gain/(loss)	101,000	22,000
Employer contributions	45,000	39,000
Employee contributions	13,000	11,000
Benefits paid	<u>(8,000)</u>	<u>(8,000)</u>
At 31 August	<u><u>686,000</u></u>	<u><u>526,000</u></u>

#### 23 Related party transactions

Owing to the nature of the academy trust 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. The following related party transactions took place in the financial period.