

St Mary's Church of England Primary Academy, Dilwyn

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2021



**Company Registration Number:
07745424 (England and Wales)**

St Mary's Church of England Primary Academy, Dilwyn

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Reference and Administrative Details

Members	Mrs M Spinks (Independent Chair from July 2020) Mr S Thomas (Internal Auditor) Mrs J Voogd Rev Mike Kneen (Hereford Diocesan Board of Education representative) Mr G Herdman
Trustees and directors	The Revd. Burns (Vice Chairman) Mrs S Kyles (Foundation) Mrs H Bannister-White (Parent) Mrs L Lewis (Parent) Mrs M Spinks (Chair, parent) Mrs J Clarke (Community) Mr SA Thomas (Community and internal auditor) Mrs K Hoare (Staff)
Company Secretary	Mrs I Gibson
Principal	Mr P Kyles
Principal and Registered Office	St Mary's Church of England Primary Academy Dilwyn Herefordshire HR4 8HR
Company Registration Number	07745424 (England and Wales)
Independent Auditor	RJ Francis & Co. Ltd. Marshall Business Centre Faraday Road Hereford HR4 9NS
Bankers	Lloyds Bank Corn Square Leominster HR6 8LT
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT

Trustees' Report

The trustees present their Annual Report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2020 to 31st August 2021. The Annual Report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a free school for pupils aged 4 to 11. It has a pupil capacity of 70. There were 67 pupils on roll in the school census on Thursday 21st January 2021.

Structure, Governance and Management

Constitution

The Free School was incorporated on 18th August 2011 and commenced as a Free School on 7th January 2013.

The Free School 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 Free School.

The governors act as the trustees for the charitable activities of St Mary's Church of England Primary Academy, Dilwyn and they are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Mary's Church of England Primary Academy, Dilwyn.

Details of the governors who served during 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.

Governors' Indemnities

St Mary's Church of England Primary Academy, Dilwyn has governors' liability insurance in place with Zurich Municipal Insurance.

Method of Recruitment and Appointment of Governors

The academy board (members) may appoint governors as per the Memorandum of Articles. The academy trustees may appoint or remove staff governors. Parent governors shall be nominated and elected by parents of registered pupils at the Free School by secret ballot and a parent governor must be a parent of a pupil at the school at the time of election. Governors may appoint up to three co-opted governors. In accordance with the terms of the Funding Agreement additional governors may be appointed by the Secretary of State if deemed necessary. Governors are elected and serve for four years. After this they can be re-elected or re-appointed.

Policies and Procedures Adopted for the Induction and Training of Governors

Training of governors is provided by *The Key* online governor training which provides up to date areas which require focus.

Organisational Structure

The day to day running of the Free School is the responsibility of the Principal. The Principal is able to delegate the day to day running of the school to Lead Teachers. The Principal acts as the Accounting Officer under the terms of the Funding Agreement. There are three lead teachers, two other part time teachers, four teaching assistants who have a teaching/support role, a school secretary, a custodian/playground supervisor and cleaner/lunchtime supervisor.

Trustees' Report (continued)

Related Parties and other connected Charities and Organisations

Governors and staff note their responsibilities under the Education (School Government) (Amendment) Regulations 1996 to declare interests and if appropriate, withdraw from meetings. 'Agendas of all governors' meetings and governors' committee are reminded of their duty to declare any direct or indirect pecuniary interest which may relate to any matter under discussion.'

The school building falls within the responsibility of an 1845 Trust, the trustees of which being the church warden and the incumbent of St Mary's Church, Dilwyn. The school does not pay rent to the trustees for the use of the building. In reality the school can be regarded as FREEHOLD as long as the 'school for poor persons' of the parish receive a Christian Education. The school pays rent to another Diocesan Trust for the use of the playing field (Glebe Land) which includes the playing equipment installed by the community in 2000, and accessible for community use outside of school hours.

Objectives and Activities

The Free School's principal activities for the public benefit are to:

- To create a secure, safe and challenging environment to promote the development of resilient, motivated and independent learning.
- To help children gain a thorough understanding of the rights and responsibilities of individuals living in Britain today.
- To promote Christian values and opportunities to worship God and celebrate the special nature of our church whilst recognizing the richness and diversity of our children, families and local community.
- To achieve excellence in all that we do.
- To create an understanding of good citizenship guided by the Christian ethics of love, kindness and compassion for others.
- To prepare children for their future lives in a complex and rapidly changing world, teaching them to value the cultural diversity of different lifestyles and religions.
- To appreciate the contribution of our children, parents, carers, governors, church and community in the life of the school.

Objectives, Strategies and Activities

To achieve our objectives the Free School is governed, led and managed in a way where strategic planning is constantly under critical review.

Targets	Action and Staff Involved	Success Criteria	Training Needs / Resources	Review Date
Staffing	Retain enthusiastic and innovative staff with good pedagogy and ICT skills.	Pupil progress and end of KS1 & 2 test results.	Continued training INSET. Also, the sharing of good practice.	Performance management starting October 2021.
Rigorous performance management	All staff to be officially observed. Book trawls. Pupil reading progress monitored by the Principal. All staff observed. Cycle will begin autumn term 2021	Improving of pedagogy. Pupil progress being made which is measured & monitored on Scholar-Pack	Observations by the Principal. Time for book trawls. Review meetings between Principal Chair of Governors and the member of staff.	Reviews January to March 2022
Teaching and learning pedagogy	Involving children in self and peer assessment. On-going. Stimulating the more able.	Pupils to become more aware of which work is good and how they can improve their work.	Inset sharing of good practice between staff. Attending external INSET.	July 2022
Early Years Foundation Stage	Targeted interventions provided by ALL. (OFSTED 2017) describe	80%+ Good Level of Development.	Continue positive links with Playgroup and analyses areas	July 2022

(EYFS) provision	individual interventions as bespoke).	Early Years graded outstanding by OFSTED (April 2017)	individuals need to develop.	
<i>The integration of interactive software into planning</i>	Continue using Espresso, Learn Tables and Phonics Bug interactively. Abacus, Lit Shed, Spelling Shed, Learn Your Tables also incorporated into planning.	The use and development of software in teaching and learning pedagogy. Espresso, Top marks, Learn your tables, twinkl, Abacus, BBC learning zone.	Inset within the school. Sharing of good practice. Staff laptops have been made available. Hardware increased & software available for TA use during intervention	July 2022
<i>Reading Review of reading policy.</i>	Continue prioritising reading. Lead teachers to continue developing reading throughout the school.	Reading levels improving throughout the school. KS2 school finished in the top 1% in the country in 2017 SATs. This would have also been achieved in 2020	Inset within the school. Continue to use synthetic phonics and the continual updating of high interest and classic books. Principal monitoring. Listening to all pupils reading and testing.	ongoing
<i>Evaluating the effectiveness of our assessment</i>	Evaluating overall performance against the National Standards and the floor standard. Intervention Targeting.	Progress tracked and compared to national standards. Interventions introduced when required.	Lead teacher time. SEN intervention programme. Abacus Mathematics Tests & NFER literacy tests.	July 2022

Medium to long term objectives include:

- ensuring that the best possible learning outcomes occur ensuring that children fulfil their potential. This is achieved by providing a high standard learning and positive pastoral support.
- recruiting and retaining highly effective staff and providing inset so they become more effective at responding to changing demands
- maintaining and further developing our buildings and the environment so that the facilities fit our educational aspirations.
- further developing IT skills to improve pedagogy and pupil learning outcomes
- to further utilise fully Scholar-Pack (MIS) reducing the need for hard copies of documentation (GDPR)
- remaining financially sustainable by ensuring the best value for money in our financial decision making.
- to maintain pupil numbers between 65 and 75.
- To continue to manage risk caused by the COVID-19 pandemic.

Public Benefit

St Mary's is at the heart of the Village community. One of our prime aims is to promote community cohesion by participating in Village activities. 100% of children at the local preschool currently feed into the school. The school therefore provides education for the local inhabitants as well as attracting pupils from surrounding villages and Leominster Town. Currently 32% of pupils live within the parish. Pupils are admitted directly and through Herefordshire Council's Admissions Procedure. The Principal, three of the teachers, two teaching assistants, the caretaker, cleaner and the school secretary all live within the parish. This not only feeds into the local economy but also makes the school the whole school part of the community.

Trustees' Report (continued)

Achievements and Performance

The school attendance between 1st September 2020 and 16th July 2021 was 96.07%. This figure however includes two pupils on a 60% flexi-school timetable. The real attendance figure is therefore 97.1%

This is a good indicator that pupils are enjoying schooling and their education journey.

Early Years Foundation Stage

No assessments we made due to lockdown

At Key Stage 1

Year 1 Phonics Check was cancelled due to COVID 19 Pandemic and lockdown

Year 2 End of Key Stage 1 Forecast

School Assessment Data & Analysis

At St Mary's 82% of pupils in the cohort reached the 'AS' Achieved Standard in RWM.

School Data

School Test Forecast Results 2021 – All

Subject	Percentage at each level									
	A	B	L	M	T	F	P	D	AS	NS
Writing	0	0	0	0	0	0	0	0	91	9
Reading	0	0	0	0	0	0	0	0	91	9
Mathematics	0	0	0	0	0	0	0	0	82	18

National average; Reading 75%, Writing 69%, Mathematics 76%

We forecast that 82% would achieve the KS1 standard

School Teacher Assessments Forecast 2020 – All

Subject	Percentage at each level								
	A	D	U	HNM	BLW	PKF	WTS	EXS	GDS
Reading	0	0	0	0	0	0	0	91	9
Writing	0	0	0	0	0	0	0	91	9
Mathematics	0	0	0	0	0	0	10	82	18
Science	0	0	0	0	0	0	0	100	0

Result Explanation

- **A** - Absent
- **B** - Working below the level of the test
- **L** - Left
- **M** - Missing
- **T** - Unable to access test
- **F** - Pupil will take the test in the future
- **P** - Pupil has taken the test in the past

Trustees' Report (continued)

- **D** - Disapplied
- **AS** - Achieved standard
- **NS** - Not achieved standard
- **BLW** - Below the standard of the pre-key stage**
- **PKF** - Pre-key stage foundation**
- **WTS** - Working towards the expected standard**
- **EXS** - Working at the expected standard
- **GDS** - Working at a greater depth at the expected standard

Year 6 Key Stage 2 Levels

School Assessment Data & Analysis

School Forecast Test Results 2021 - All

Subject	A	B	L	M	T	U	J	F	P	H	Q	AS	NS	CA	CN
Reading	0	0	0	0	0	0	0	0	0	0	0	89%	17%	0.0	0.0
Writing	0	0	0	0	0	0	0	0	0	0	0	78%	22%	0	0
Mathematics	0	0	0	0	0	0	0	0	0	0	0	78%	22%	0.0	0.0

National Scaled Scores Average (2019)

Reading 104

GPS 106

Mathematics 105

St Marys Average Scaled Scores (2018)

Reading 101

GPS 106

Mathematic 106

Reading, Writing and Mathematics

78% of St Mary's pupils were forecast to achieve the required standards in Reading, Writing & Mathematics. Nationally average figure was 61% while Herefordshire is 60%. This figure is also well above the DfE floor benchmark set by the government of 65%.

School Teacher Assessments 2021 – All

Subject	A	D	L	HNM	BLW	PKF	PKE	PKG	WTS	EXS	GDS
Reading	0	0	0	0	0	0	0	0	11%	33%	56%
Writing	0	0	0	0	0	0	0	0	22%	45%	33%
Mathematics	0	0	0	0	0	0	0	0	22%	22%	56%
Science	0	0	0	0	0	0	0	0	11%	33%	56%

Result Explanation

- **A** - Absent
- **AS** - Achieved standard
- **B** - Working below the level of the test
- **NS** - Not achieved standard
- **WTS** - Working towards the expected standard
- **EXS** - Working at the expected standard

Trustees' Report (continued)

- **GDS** - Working at a greater depth at the expected standard
- **HNM** - Has not met the standard

At KS2 78% of pupils worked at the EXPECTED STANDARD in all areas and 44% at the HIGHER STANDARD.

Other Educational Achievements

Of course, preparation for the SATs is important as it prepares pupils for the next stage of their educational journey. It is crucial that pupils begin secondary school achieving the results they deserve in order that future provision is tailored to their needs. However, it must be remembered that academic success is only a small part of St Mary's achievement. Producing confident well-rounded pupils who are both helpful and polite is another important aspect of our community school.

'A small school with a big curriculum' OFSTED April 2017

Also, alongside the pupil's learning journey a broad curriculum with educational enrichment has developed interest and motivated learning. History and geography are related to the pupil's own environment.

In music years 3 and 4 follow a weekly carousel of tin whistle, samba drums and ukulele. Years 5 and 6 are learning to play the flute. A Peripatetic Teacher also provides Piano, clarinet and Flute lessons and there are two guitar clubs. Forest School, swimming and cookery broaden the curriculum and further develop the whole child. The leasing of our minibus continues to enable the school to enrich and broaden pupil interests. Trips to, the theatre, Christmas lunch at the Crown Inn, the Nativity and Carols on the Green all had to be cancelled due to COVID 19 regulations. Sadly, in lockdown all activities were stopped, however school clubs included Infants sports club, Junior football, tag rugby, and guitar did take place in the summer term.

Going Concern

The principal and trustees have the expectation that the academy trust has adequate resources to continue in operational existence for a period of twelve months from the approval of these accounts. For this reason, it continues to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

St Mary's Church of England Primary School recognises the responsibility it has under the Companies Act 2006 s417 to disclose the principal risks and uncertainties it may face. The school acknowledges that its ability to provide for pupils the continuing advancement of education is reliant upon the agreed public funding levels, distributed to the school in the form of the GAG. The Free School acknowledges that its planned level of expenditure must not exceed known income now and in the future. In doing so it pays due regard to the proportion of costs spent on staffing. It prepares detailed budget plans for the current year and there is internal financial monitoring. A finance committee is in place and meets regularly to further monitor the budget.

Financial Report for the Year

The school like all Free Schools receives its funding from the EFA. During the period ending 31 August 2021 our total expenditure of £397,009 was less than the recurrent grant funding from the EFA. The excess of income over expenditure for the period was £32,622.

Trustees' Report (continued)

At 31 August 2021 the net value of fixed assets was £71,892; the assets were used exclusively to provide education for pupils.

Our funding is linked directly to our pupil numbers. Our pupil admission number was 56 (funding agreement section 17). This was revised to 70 pupils as we have provided an additional mobile classroom. Our 2020/21 GAG was based on 63 pupils. However, the January 2021 census there were 67 pupils on role. The GAG with funding formula adjustments was £353,274.02 for 2020/2021 for the year. As numbers in the school are increasing, in 2021/22 our GAG will rise to £406,957.45

This year 9 pupils have left the school and moved on to high school. 9 pupils are starting in reception and with two other pupils joining the school, this means our numbers on 31st August 2021 have risen to 69.

Financial and Risk Management Objectives and Policies

St Mary's has a robust financial policy. We have taken part in the EFA self-assessment procedures, and a business continuity policy is in place. Mr Steven Thomas is our internal auditor, and he has scrutinised internal procedures.

Reserves Policy

As there will undoubtedly be fluctuations in salaries, pupil numbers and expenditure, a contingency has been set aside. This currently stands at £34,921.60. This is a cheque account at Lloyds Bank. In the future the Principal in consultation with the Finance Committee may make investments to maximise funds even with a low interest rate. In the current account there is also two months costs to ensure continuity in a crisis.

Principle Risks and Uncertainties

Principle risks are future pupil numbers and future government funding for Free Schools. Our GAG is just about keeping pace with inflation. Schools are being expected to absorb an increase in pension contribution which increased in April 2021. If it were not for an increase in roll expenditure cuts would have been needed to be made. Considerable risk has been caused by the COVID-19 pandemic, with school providing remote learning resources for pupils during lockdown but staying open for key workers children.

Plans for Future Periods

The Governors and Principal will continue to work to maintain the current upward trend in numbers. Our numbers rose to 70 pupils in September 2021. When these numbers are reflected in the GAG then financial pressures will be reduced. Academically we want to further increase pupil attainment.

The Governors and Principal will continue to work so that the Free School at least achieves a "good" status under the new Ofsted framework. A section 5 inspection is not imminent. In our last inspection the school achieved an outstanding grading in 2 areas and good in three areas. Overall grading being GOOD with OUTSTANDING features.

The Governors and Principal will continue working to support the play school adjacent to the school. The success of the playschool will allow us to further increase our admissions making the school even more financially sustainable in the medium to long term.

Trustees' Report (continued)

Auditor

In so far as the governors are aware:

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

Approved by order of the members of the governing body on the 9th December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Spinks', written in a cursive style.

M Spinks
Chair of Trustees

Equalities Report 2021

The ethos of the school is to nurture the need of each individual child to fulfil their potential. In addition, as part of the obligations imposed on all educational institutions by the Equality Act 2010, the school has a Public Sector Equality Duty (PSED) to

- Publish information to demonstrate how the school is complying with PSED, including information relating people who share a protected characteristic, and to
- Publish equality objectives every four years and monitor these annually.

The protected characteristics include age, disability, religion or belief, race, marriage and civil partnership, sex, sexual orientation, and gender reassignment.

The School's Equal Opportunity Policy and Objectives were last reviewed in 2018. In common with all the school policies, it is available on the School website.

The objectives are:

- help all children develop social competence,
- provide materials to promote learning that are appropriate and reflect diversity,
- promote multi-cultural education,
- promote British values which include mutual respect and tolerance of those with different faiths and beliefs,
- include and value the contribution of all families in School activities and actively consider equality duties when planning School trips,
- commit to recognising employees as individuals, treating each person's situation according to its merits,
- make reasonable adjustments where necessary to our standard working practices to overcome barriers to accessing employment for disadvantaged people.

Dilwyn's pupils and staff reflect the demographic characteristics of the area population which is predominantly White British. At times when there are one or two pupils on roll who have protected characteristics, it is not possible to present their results in Key Stage tests without identifying particular individuals. This would be in contravention of the General Data Protection Regulations.

The School has a higher than average staff: pupil ratio, and employs teaching assistants to ensure that all children fulfil their potential and that those with learning difficulties or who have fallen behind during "lock downs" receive the extra help they need to reach the expected standards of their peer group.

As the 2021 Key Stage tests were cancelled due to the Covid-19 pandemic, it is not possible to publish any comparative results to discover any differences in attainment between boys.

Inclusion

Pupil Premium children are supported financially so they can participate in all activities such as swimming, school trips, piano lessons and outward bound residentials.

In 2020-21 there were no complaints from parents and guardians or staff concerning discrimination relating to any of the protected characteristics.



M Spinks
Chair of Trustees
9th December 2021

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that St Mary's Church of England Primary Academy, Dilwyn 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 Academy Trust has delegated the day-to-day responsibility to the principal as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary's Church of England Primary Academy, Dilwyn and the Secretary of State for Education. They are also responsible for reporting to the 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 whole governing body meets at least once a term (more if deemed necessary) where all business is discussed. There are three governor committees:

- **Finance Committee** meets quarterly. The members are: G Herdman (Chairman), Rev Matthew, P Kyles and S Thomas.
- **Staffing Committee** meets at least annually or as necessary with any staff changes. The members are: Mrs M Spinks (Chair), Rev M Burns, Mr P Kyles and Mrs E Brown (Resigned 31st December 2020).

Teaching and Learning

Meets at least once a term or as necessary to discuss necessary changes in the curriculum. The members are: Mrs S Kyles, Mrs J Clarke (Chair January 2021), Mrs L Lewis and Mrs H Bannister-White.

Attendance is logged and the minutes are kept electronically in school and by Mrs Isobel Gibson, Clerk to the Governors.

Full Governors Meeting Attendance

Attendance log and minutes are kept electronically in school and by Mrs Isobel Gibson, Clerk to the Governors

Attendance at Full Governors Meetings		15th October 2020	3rd December 2020	28th January 2021	22nd April 2021	14th July 2021	Total
All meetings took place via ZOOM							
Hannah	Bannister-White	Yes	Yes	Yes	yes	Yes	5
Ellie	Brown	Yes	Yes	Resigned 31 st Dec 2020			2
Rev. Matthew	Burns	Yes	Yes	Yes	yes	Yes	5
Jane	Clarke	Yes	Yes	Yes	yes	Yes	5
Karen	Hoare	Appointed Jan. 2021		Yes	Yes	Yes	3
Sally	Kyles	Yes	Yes	Yes	Yes	Yes	5
Peter	Kyles	Yes	Yes	Yes	Yes	Yes	5
Louise	Lewis	Yes	Yes	Yes	Yes	Yes	5
Madeleine	Spinks	Yes	Yes	Yes	Yes	Yes	5
Steve	Thomas	Yes	Yes	Yes	Yes	Yes	5
Attendance		9	9	9	9	9	

Governance Statement (continued)

Review of Value for Money

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

The accounting officer considers how the 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:

- increasing staffing levels; our pupil premium has been used to support a range of targeted interventions both inside and outside of the classroom. This has allowed all pupils with specific difficulties to move forward. To facilitate this, the school has maintained TA coverage equivalent to 3.2 full time staff. C Shaw acts as SENCO and holds a Post Graduate Certificate in Assessing Literacy and Dyslexia.
- increasing capacity; the mobile classroom has meant our PAN has been increased to 70. In the long term this has improved the school's financial sustainability.
- improvement of the school environment; an environmental area has been developed with more raised beds and two small chicken arks. This will be incorporated within the KS1 and KS2 school curriculum. A small but stimulating early years outdoor play area has been developed so that the personal, social, emotional and physical skills of reception children can be further developed.

The accounting officer is currently continuing to make saving and reduce operating costs wherever possible.

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 risk of failure to achieve policies, aims and objectives. It can, therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 and economically. The system of internal control has been in place in St Mary's Church of England Primary Academy, Dilwyn for the period 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body 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 governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Free School's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the financial committee and governing body.

Governance Statement (continued)

The Risk and Control Framework

The Free School 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 set and periodic financial reports which are reviewed and agreed by the governing body
- regular reviews by the finance committee of reports which indicate financial performance against the forecast and major purchase plans, capital works and expenditure programmes
- the setting of targets to measure financial and other performance
- delegation of authority and segregation of duties to the finance committee and Principal
- the identification and management of risk.

The governing body has an internal auditor Steven Thomas who acts as Responsible Officer (RO). The RO performs a range of checks to ensure that procedures are being followed. The RO reports back to the finance committee which then reports back to the governing body.

The Board of trustees has considered the need for a specific internal audit function and has decided:

- The RO performs a range of checks to ensure that procedures are being followed. The RO reports back to the finance committee which then reports back to the governing body.

We confirm that the RO function has been fully delivered in line with the EFA's requirements. These arrangements have provided reasonable assurance that assets are safeguarded, transactions are authorised and material errors and irregularities are either prevented or would be detected within a timely period.

Review of Effectiveness

The Principal (Accounting Officer) and the Finance Committee have 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;
- the work of the external auditor;
- the financial management and governance self- assessment process;
- the work of the governors within the Free School who have responsibility for the development and maintenance of the internal control framework.

The accounting officer will be advised of the implication of the result of the review of the system.

Approved by order of the members of the Board of Trustees on 9th December 2021 and signed on its behalf by:



G Herdman
Chair of Finance Committee,



P Kyles
Accounting Officer

9th December 2021

Statement on Regularity, Propriety and Compliance

As accounting officer of St Mary's Church of England Primary Academy, Dilwyn I have considered my responsibility to notify the Free School Board of Members and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Free School Board of Members 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 free school 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 EFSA.

A handwritten signature in black ink, reading 'Peter Kyles' with a stylized flourish at the end.

P Kyles
Accounting Officer
9th December 2021

Statement of Trustees' Responsibilities

The trustees (who act as governors of St Mary's Church of England Primary Academy, Dilwyn and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with the Annual Accounts Direction issued by the Education 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 the application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 EFSA/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 the financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the academy board on 9th December 2021 and signed on its behalf by:



Mrs M Spinks
Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Academy Board

Opinion

We have audited the financial statements of St Mary's Church of England Primary Academy, Dilwyn for the period ended 31st August 2021 which comprises the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 31st August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2020 to 2021;

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to audit of the financial statements in the UK, including the FRC's Ethical Standard and 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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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 the fact.

We have nothing to report in this regard.

Independent Auditor's Report on the Financial Statements to the Academy Board (continued)

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

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration 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, trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable to 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements.

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

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

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

- The engagement partner ensured that the audit team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

Independent Auditor's Report on the Financial Statements to the Academy Board (continued)

- 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 this business sector.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

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.
- 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
- Assessed whether judgments and assumptions made in determining accounting estimates included in the Accounts were indicative of potential bias.

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 enquiring of the Trustees and other management, and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statement is located on the Financial Reporting Council's website at www.frc.org.uk/auditresponsibilities. The description forms part of our Report of Independent Auditors

Use of our report

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

R J Francis (Senior Statutory Auditor)



For and on behalf of

R. J. Francis & Co Limited
Statutory Auditor
Marshall Business Centre
Faraday Road
Hereford
HR4 9NS

Date: 9th December 2021

Independent Reporting Accountants Assurance Report on Regularity to St Mary's Church of England Primary Academy, Dilwyn and the Education Funding Agency

In accordance with the terms of our engagement letter dated 14 October 2013 and further to the requirements of the Education Funding Agency (EFA) 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 St Mary's Church of England Primary Academy, Dilwyn 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 St Mary's Church of England Primary Academy, Dilwyn and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Mary's Church of England Primary Academy, Dilwyn and the EFA 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 St Mary's Church of England Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of St Mary's Church of England Primary Academy, Dilwyn Accounting Officer and the Reporting Auditors

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

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

Approach

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities.

We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

**Independent Reporting Accountant's Assurance Report on
Regularity to St Mary's Church of England Primary Academy,
Dilwyn and the Education Funding Agency (continued)**

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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



R J Francis (Reporting Accountant)

For and on behalf of

R. J. Francis & Co Limited
Statutory Auditor
Marshall Business Centre
Faraday Road
Hereford
HR4 9NS

Date: 9th December 2021

Statement of Financial Activities for the Year Ended 31 August 2021
(including Income and Expenditure Account and Statement
of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020 £
Incoming and endowments from:						
Donations and Capital Grants	2	2,417	520	4,731	7,668	6,576
Investment income	4	606	-	-	606	34
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	421,357	-	421,357	391,141
Total		3,023	421,877	4,731	429,631	397,751
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational Operations	5	2,417	389,861	4,731	397,009	392,149
Total resources expended		2,417	389,861	4,731	397,009	392,149
Net income / (expenditure) for the year		606	32,016	-	32,622	5,602
Reconciliation of funds						
Total funds brought forward at 1 September 2020	13	10,902	90,744	36,694	138,340	132,738
Total funds carried forward at 31 August 2021		11,508	122,760	36,694	170,962	138,340

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

The notes on pages 24 to 34 form part of these financial statements.

Balance Sheet as at 31 August 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		71,892		65,220
Current assets					
Debtors	11	4,656		5,858	
Cash at bank and in hand		<u>120,584</u>		<u>90,535</u>	
		125,240		96,393	
Liabilities					
Creditors: Amounts falling due within one year	12	<u>26,170</u>		<u>23,273</u>	
Net current assets			99,070		73,120
Total assets less current liabilities			170,962		138,340
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	13	36,694		36,694	
General fund	13	<u>122,760</u>		<u>90,744</u>	
Total restricted funds			159,454		127,438
Unrestricted income funds					
General fund	13	<u>11,508</u>		<u>10,902</u>	
Total unrestricted funds			11,508		10,902
Total funds			170,962		138,340

The financial statements on pages 24 to 34 were approved by the academy board, and authorised for issue on 9th December 2021 and are signed on their behalf by:



Mrs M Spinks
Chair of Academy Board

Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	16	44,544	13,496
Capital expenditure	17	(14,495)	(6,281)
Change in cash and cash equivalents in the year	18	<u>30,049</u>	<u>7,215</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2020		90,535	83,320
Cash and cash equivalents at 31 August 2021	18	<u>120,584</u>	<u>90,535</u>

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

1. Statement of Accounting Policies

Basis of Preparation

The financial statements of the free school 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 in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Academies Accounts Direction 2020 to 2021 issued by the EFSA, the Charities Act 2011 and the Companies Act 2006.

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 approval of the financial statements.

The trustees have concluded that the free school has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the free school's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds,

- **Grants Receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted asset fund.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Cost of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

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

1. Statement of Accounting Policies (continued)

▪ Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life.

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

▪ Motor Vehicles	25%
▪ Fixtures, fittings and equipment	20%
▪ ICT equipment	33%
▪ Buildings	4%

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

A review of 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.

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 free school 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 free school 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 straight line basis over the lease term.

Financial Instruments

The free school only holds basic financial instruments as defined in FRS102. The financial instruments are measured as follows: -

Financial Assets – Other debtors are basic financial instruments and are debt instruments measured at amortised cost.

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

Cash at Bank – This is classified as a basic financial instrument and is measured at face value.

Financial Liabilities – Trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost.

Taxation

The free school is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets 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 for charitable purposes.

Pensions Benefits

Retirement benefits to teachers of the free school are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the free school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of the current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Notes to the Financial Statements for the Year Ended 31 August 2021 (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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Capital Grants	-	4,731	4,731	4,675
Other donations	2,417	520	2,937	1,901
	<u>2,417</u>	<u>5,251</u>	<u>7,668</u>	<u>6,576</u>

3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
DfE / EFA grants				
General annual grant	-	353,274	353,274	326,890
Other DfE/EFA grants	-	68,083	68,083	64,251
	<u>-</u>	<u>421,357</u>	<u>421,357</u>	<u>391,141</u>

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Short term deposits	606	-	606	34
	<u>606</u>	<u>-</u>	<u>606</u>	<u>34</u>

5. Expenditure Non Pay

	Staff Costs £	Expenditure Premises £	Other Costs £	Total 2021 £	Total 2020 £
<i>Academy's educational operations:</i>					
Direct costs	267,490	-	27,099	294,589	278,344
Allocated support costs	37,704	18,123	46,593	102,420	113,805
	<u>305,194</u>	<u>18,123</u>	<u>73,692</u>	<u>397,009</u>	<u>392,149</u>

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

Incoming/outgoing resources for the year include:	2021	2020
	£	£
Operating leases	535	535
Finance lease	9,148	3,766
Fees payable to auditor – audit	2,495	2,425

6. Charitable Activities – Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Direct costs				
Teaching and educational support staff costs	-	267,490	267,490	253,653
Depreciation	-	4,606	4,606	3,222
Technology costs	-	3,876	3,876	3,056
Educational supplies	-	18,004	18,004	17,107
Staff development	-	613	613	496
Educational consultancy	-	-	-	810
	-	294,589	294,589	278,344
Support costs – educational operations				
Support staff costs	-	37,704	37,704	48,668
Depreciation	-	3,217	3,217	3,085
Technology costs	-	2,282	2,282	1,618
Maintenance of premises and equipment	2,417	2,944	5,361	17,524
Cleaning	-	996	996	5,682
Rent and rates	-	535	535	535
Energy costs	-	5,776	5,776	3,522
Insurance	-	2,155	2,155	1,689
Security and transport	-	10,723	10,723	4,356
Catering	-	511	511	549
Legal and Professional	-	1,656	1,656	2,081
Auditors Remuneration	-	2,495	2,495	2,425
Other support costs	-	29,009	29,009	22,071
	2,417	100,003	102,420	113,805
Total direct and support costs	2,417	394,592	397,009	392,149

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

7a. Staff Costs

Staff costs during the period were:

	2021	2020
	£	£
Wages and salaries	245,980	247,638
Social security costs	14,726	15,755
Pension costs	45,208	38,928
	305,914	302,321

7b. Staff Numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

Charitable Activities	2021 No.	2020 No.
Teachers	4	4
Administration and support	5	5
Management	1	1
	10	10

7c. Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £105,033 (2019: £102,657).

8. Related Party Transactions – Trustees Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration for the year to 31 August 2021 was as follows:

P Kyles	£45,000 - £50,000
S Kyles	£35,000 - £40,000
J Clarke	£Nil - £5,000

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 21.

9. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2021 was £1,765 (2020: £1,689). The cost of this insurance is included in the total insurance cost.

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

10. Tangible Fixed Assets

	Buildings £	Motor Vehicles	Furniture & Equipment £	Computer Equipment £	Total £
Costs					
At 1 September 2020	77,116	-	15,714	31,470	124,300
Additions	3,300	7,475	-	3,720	14,495
Disposals	-	-	-	-	-
At 31 August 2021	80,416	7,475	15,714	35,190	138,795
Depreciation					
At 1 September 2020	15,113	-	15,609	28,358	59,080
Charged in year	3,217	1,869	57	2,680	7,823
Disposals	-	-	-	-	-
At 31 August 2021	18,330	1,869	15,666	31,038	66,903
Net book values					
At 31 August 2021	62,086	5,606	48	4,152	71,892
At 1 September 2020	62,003	-	105	3,112	65,220

11. Debtors

	2021 £	2020 £
VAT recoverable	3,876	3,733
Prepayments and deferred income	780	2,125
	<u>4,656</u>	<u>5,858</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,122	4,209
Other Creditors	4,362	3,869
Taxation and social security	9,683	10,019
Accruals and deferred income	4,003	5,176
	<u>26,170</u>	<u>23,273</u>

Deferred Income

	2021 £	2020 £
Deferred income at 1 September 2020	3,865	3,865
Resources deferred in the year	3,865	3,865
Amounts released from previous years	(4,362)	(3,865)
Deferred Income at 31 August 2021	<u>4,362</u>	<u>3,865</u>

At the balance sheet date, the academy trust was holding funds received in advance for the academy pupil premium for the academic year starting September 2021.

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

13. Funds

	Balance at 31 August 2020 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	90,744	353,274	321,258	-	122,760
Other DfE/EFA Grants	-	68,083	68,083	-	-
Other donations	-	520	520	-	-
	<u>90,744</u>	<u>421,877</u>	<u>389,861</u>	<u>-</u>	<u>122,760</u>
Restricted fixed asset funds					
DfE/EFA capital grants	36,694	4,731	4,731	-	36,694
Donated Assets	-	-	-	-	-
	<u>36,694</u>	<u>4,731</u>	<u>4,731</u>	<u>-</u>	<u>36,694</u>
Total restricted funds	<u>127,438</u>	<u>426,608</u>	<u>394,592</u>	<u>-</u>	<u>159,454</u>
Unrestricted funds					
Unrestricted funds	10,902	3,023	2,417	-	11,508
Total unrestricted funds	<u>10,902</u>	<u>3,023</u>	<u>2,417</u>	<u>-</u>	<u>11,508</u>
Total funds	<u>138,340</u>	<u>429,631</u>	<u>397,009</u>	<u>-</u>	<u>170,962</u>

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

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the free school, 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 it could carry forward at 31st August 2021

Other grants - income which has been received for specific purposes.

14. 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 2020 £
Tangible fixed assets	-	-	36,694	36,694
Current assets	11,508	148,930	-	160,438
Current liabilities	-	(26,170)	-	(26,170)
	<u>11,508</u>	<u>122,760</u>	<u>36,694</u>	<u>170,962</u>

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

15. Commitments under 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:

	Land & Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Within one year	535	535	-	-
Between two and five years	2,144	2,140	-	-
After more than five years	135	435	-	-

16. Reconciliation of Net Income / Expenditure to Net Cash Inflow from Operating Activities

	2021	2020
	£	£
Net income	32,622	5,602
Depreciation	7,823	6,307
(Increase) Decrease in debtors	1,202	(1,603)
Increase / (Decrease) in creditors	2,897	3,190
Net Cash in from Operating Activities	44,544	13,496

17. Capital Expenditure and Financial Investment

	2021	2020
	£	£
Purchase of tangible fixed assets	(14,495)	(6,281)
Net cash outflow from capital expenditure and financial investment	(14,495)	(6,281)

18. Analysis of Changes in Net Funds

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash in hand and at bank	90,535	30,049	120,584
	<u>90,535</u>	<u>30,049</u>	<u>120,584</u>

19. 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.

20. Pension and Similar Obligations

The academy's employees belong to one principal pension scheme: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

Contributions amounting to £4,734 were payable to the scheme at 31st August 2021 (2020 £4,778) and are included within creditors.

Contributions amounting to £40,992 were payable to the scheme at 31 August 2021.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or change of contract, although they are able to opt out

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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 31st March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5th 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% employer administration charge)
- 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 national investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%. The next valuation result is due to be implemented from 1st April 2023.
- The pension costs paid to TPS in the period amounted to £40,992 (2020: £36,551).
- 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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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

21. Related Party Transactions

Owing to the nature of the academy trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Payments to Glen White for grounds maintenance £376.