

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**THREE WAYS SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Hodgman G Jordan M Roberts
Trustees	K Fathers ³ C Gerrish ¹ K Hall ^{3,4} R Hodgman, Vice Chair ^{1,3,4} S Hobbs ³ R McSweeney ^{1,4} J Radford (resigned 17 June 2022) ² M Roberts, Chair of Trustees ^{1,2} S Service ^{3,4} J Stoaling, Head Teacher ^{1,2,3,4} V Willis (resigned 31 August 2022) ¹ ¹ Finance Committee ² Premises, Health & Safety Committee ³ Education Committee ⁴ Human Resources Committee
Company registered number	08488749
Company name	Three Ways School
Principal and registered office	180 Frome Road Odd Down Bath Somerset BA2 5RF
Accounting Officer	J Stoaling
Senior Leadership Team	J Stoaling, Head Teacher K Brockway, Deputy Head Teacher P Gaskell, Assistant Head Teacher L Heaton, Assistant Head Teacher A Duffett, Assistant Head Teacher S Harper, Assistant Head Teacher A Hartley, Business Manager
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Bankers	Natwest 24-25 Stall Street Bath BA1 1QF
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 2 to 19 in Special Educational Needs. It has a pupil capacity of 220 and had a roll of 222 in the school census on 1 May 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School (incorporated on 24 April 2013 and opened as an Academy on 1 September 2013) 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 School.

The Trustees of Three Ways School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Three Ways School.

Details of the Trustees who served throughout the year ended 31 August 2022, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the School's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the School. The limit of this indemnity is £5,000,000.

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 September 2013 the Trustees appointed all those Trustees that served the predecessor School to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor School would have ended, thus ensuring a staggered re-election or replacement process.

The School's Board of Trustees currently comprises the Headteacher, 3 Parent Trustees, 1 Staff Trustee and up to 10 other Trustees.

The School Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 10 Trustees who are appointed by the Members;
- A minimum of 2 parent Trustees who are elected by parents of registered pupils at the School;
- Up to 2 staff Trustees appointed by the Board of Trustees; and,
- The Headteacher.

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the School's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The School has a Trustee policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual for both new and existing Trustees. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term (6 times a year). The Board establishes an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are now 3 committees as follows:

- Finance Committee incorporating Premises and Health and Safety, this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements; carrying out the role of an audit committee and receiving reports from internal audit; and drafting the annual budget;
- Education Committee this meets every other term to monitor, evaluate and review School policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues;
- HR Committee this meets at least 3 times a year (unless additional meetings are required) and deals with all matters relating to staff.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the School and its committee structure, to appoint or remove the Chairman and/or Vice Chairman; to appoint the Headteacher and Clerk to the Trustees; and to approve the budget.

The Trustees are responsible for setting general policy, adopting a budget, approving the statutory accounts, monitoring the School by the use of budgets and other data, and making major decisions about the direction of the School and capital expenditure.

The Board of Trustees have devolved responsibility for day to day management of the School to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Heads and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The School has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT also controls the School at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, School Business Manager, Finance Committee and Board of Trustees are responsible for the authorisation of spending within agreed budgets in accordance with the

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the School in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings following performance management reviews.

Pay levels in other Special Needs schools of a similar size are used to benchmark salaries.

TRADE UNION FACILITY TIME

Three Ways School spent £746.58 on Trade Union Facility Membership during the 2021/22 academic year.

Connected Organisations, including Related Party Relationships

The Sensory Studio Trust (Three Ways Charitable Trust) is a related party as Mr Rodney Hodgman is a Trustee of this registered Charity (Charity number 1020670). The Charity raises funds for the benefit of Three Ways School, focussing on the Sensory Studio. All money raised is currently used to fund equipment for the studio, however due to the closure of the PTFA the Three Ways Charitable Trust has now broadened its fundraising to include whole school fundraising. The transactions with the charity are undertaken at arm's length and are disclosed in the financial statements.

There are no related parties which either control or significantly influence the decisions and operations of Three Ways School. There are no sponsors or formal PTFA associated with the School.

Engagement with employees (including disabled person)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials;
- Have a staff representative on the board; and
- Regular updates to all staff trustees, via termly updates and newsletters, including covering both financial and non-financial performance.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

The Extent to which Pupils Contribute to the School and Wider Community

Pupils play an active role in their local community, working in partnership with local schools and multi academy trusts for joint creative projects. Our local community support business development and supported employment opportunities.

We recognise that our pupils attend school from a number of other local authorities as well as BANES so we ensure they are connected to social and leisure activities, play schemes and colleges in their local area as well as BANES.

Objectives, Strategies and Activities

Key activities and targets were identified in the School Improvement Plan and were influenced by the significant challenges and opportunities arising from national changes in educational policy and funding and the very obvious impact of Covid-19.

The key areas are:

- Quality of Education - Curriculum, Assessment, Teaching and Learning
- Safeguarding and Welfare
- Personal Development and Behaviour
- Effectiveness of Leadership, Management and Governance

The Extent to which Pupils Contribute to the School and Wider Community

Three Ways pupils play an active role in the day to day operation and development of the school. We have an active School Council and a Head Boy/Girl system, involving pupils in strategic decisions including recruitment panels. We offer a wide range of qualifications catering for all pupils social, emotional and academic needs. This year pupils have achieved qualifications from the Pearson Functional Skills, AQA, WJEC and Duke of Edinburgh Awards (Bronze and Silver). Staff support pupils to achieve the highest possible level of qualification and set aspirational outcomes for all. Online and in person careers talks have continued throughout the year, including talks from ex-pupils about their current careers and supported/independent living arrangements. These have offered an inspirational insight for our current pupils. Work experience opportunities at 3 Café Kitchen continue to thrive and offer great opportunities for progression into local community employment opportunities. External work experience has also recommenced and was highlighted in our Ofsted inspection as an area of strength.

We are currently working with the Special Partnership Trust Multi-Academy Trust and have a MOU in place with them till which is being monitored by our Multi-Academy Trust working party as we progress to due diligence. We continue to work closely with Bath and North East Somerset Council and will continue to offer partnership as they progress their DfE application for a new special school in BANES. We hope that this partnership will ensure we work together to extend BANES SEND placements, given that we are having to turn down many pupil placements, given no available space on our current school site.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Evidence

The School Community

During this year, the school has taken part in many additional projects that have had enhanced the curriculum and provided additional opportunities for pupils.

These have included the following:

- Careers Events and Work Experience have ensured all Gatsby Benchmarks are being met.
- The School Council plays an active and real role in the school. School Council ambassadors have worked with the BANES area student council, attending an event at Prior Park with local MP's. Pupils have been involved in Solar Panel planning meetings and the delivery of Eco-School projects.
- Pupils have raised money for a range of charities including Red Nose Day and Brain Tumour Sparkle Day.
- We continue to develop strong links with local and national MATS in order to share good practise. We are working with the Special Partnership Trust, via MOU, to explore SEND best practice and governance.
- Pupils enjoy positions of responsibility – we have a post for Head Boy/Girl in our Primary/Secondary and Sixth Form departments. Pupils apply for the role with a letter of application and there is a whole school voting system in place. The team meet regularly with the School Council lead to discuss school life and developments needed.
- The school has an inclusive ethos where pupils support one another. Behaviour and Attitudes were rated as Outstanding within our recent Ofsted report.
- Preparing for Adulthood is embedded into our Sixth Form curriculum to ensure aspirational outcomes and effective transitions. Pupils visit local colleges and work placements to plan their futures.

The local/wider community

We continue to work with a range of community partners to ensure our pupils have the best possible access to social and leisure skills development. These partners include Bath Rugby, Off the Record, The Life Project, Nova Sports Team – who now host Water Mobility Club on the Three Ways site, alongside Wheelchair Basketball and Frame Running groups, Bath Area Play Project, Southside Family Project, BAPP's Teenage Rampage Club, Saturday MENCAP group, Keynsham Mencap, Gateway Club and Out and About Adult Gateway Club.

Public Benefit

The Academy aims to advance for the public benefit, education in Bath and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development schools, offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

STRATEGIC REPORT

Achievements and Performance

The School has now completed its ninth year of operation as a Single Academy Trust and has once again exceeded the forecast numbers of pupils. The total maximum of pupils in the year ended was 222 with 231 predicted for September 2022.

There is still a huge demand on placements in local special schools and we are working closely with BANES local authority and the Regions Group to explore options to meet demand. We are hopeful that BANES DFE Free School bid for a new area generic special school will be successful to meet this demand.

Brighter Futures has made excellent progress this year, securing extended contracts and new projects, building on the work completed in partnership with BANES LA and St Johns Foundation. Three Ways trust board continue to review the service to ensure effective financial and service delivery.

Data and Results

All pupils completed their exams and coursework and we continued to have 100% pass rate. Our Pupil Premium review, Sports Premium and Year 7 Catch up grant have all been completed. Our Ofsted report, 2022 highlighted pupil progress and assessment against EHCP outcomes as a strength. The Ofsted Report detailed all areas of judgment as Good or Outstanding. Subject Leadership and Curriculum development and delivery was also rated as a whole school strength, including an embedded phonics programme.

We continue to use B Squared Assessment Data package so that all areas of Early Years, Engagement Steps, Progression Steps and Steps for Life align with all National SEND assessment expectations, in particular the Engagement training.

Exam Report shown below can be read as follows:

100% pass rate in all GCSE and Entry Level Exam Qualifications - English, Maths, Science, Life and Living Skills, ASDAN PSD, PE, Art, Geography. 100% pass rate on Entry Level Pathways. 100% pass on Duke of Edinburgh Bronze and Silver qualifications.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the balance sheet date. In particular, the management of spending against the General Annual Grant (GAG) requires special attention as the amount of carry forward should be restricted. In the period under review, £Nil was carried forward representing 0% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers rose in year but are now capped at 220.

Another key financial performance indicator is staffing costs (note 10) as a percentage of total recurring educational income (note 3). For the year ended 31 August 2022 the percentage was 106% (2021: 104%).

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the School 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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

FINANCIAL REVIEW

Financial Review

Most of the School's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The additional SEN Top up funding comes from the local authority in which the child resides; the amount received is dependent on the banding level given to each individual child. The grants received from the DfE and the Local Authority during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the School's accounting policies.

During the year ended 31 August 2022, total expenditure of £6,551,499 (excluding depreciation, before fund transfers and actuarial gains/(losses) on defined benefit pension schemes) was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,795,352. The excess of income over expenditure for the year (excluding the pension reserve and restricted fixed asset funds) was -£756,147.

At 31 August 2021 the net book value of fixed assets was £8,517,324 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The land, buildings and other assets were transferred to the School upon conversion. Land and buildings were professionally valued on 31 March 2014 at £8,754,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The School has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Safeguarding, Pay Policy, Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the School including the 5 year Capital Expenditure Plan, the uncertainty over future income streams and other key risks identified during the risk review.

The appropriate amount will be identified in order to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The School has total reserves of £6,719,481, which includes £6,210,751 of restricted fixed asset funds and defined benefit pension reserves. The remaining £508,730 (being unrestricted and restricted general funds) is the balance that Trustees monitor. As a guideline, the School aims to keep in hand an amount of unrestricted/restricted general funds equivalent to at least two months of average payroll costs (2022: £758,000) for future foreseeable expenditure on classroom/other equipment, buildings maintenance and capital projects.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Investment Policy

The aim of this policy is to ensure that funds which the School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the School's income within agreed risk parameters. Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements

The School's aim is to spend the public monies for the direct education benefit of students as soon as it is prudent to do so and after the direction of the reserves policy has been met. The School does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Investments of surplus funds, including carry forward balances, may only be made directly in the accounts of reputable high street banks/financial institutions which are clearly shown to provide minimal risk to the capital sum.

Investment must not be arranged through any intermediaries. Any interest received will accrue to the School bank account.

Investments must be in any current or deposit account (including single deposits) placed with an approved bank. Deposit accounts include managed money market accounts, providing that the bank provides a written agreement incorporating a guarantee of the capital sum invested.

Prior to investing funds, the Headteacher must satisfy themselves that cash flow predictions provided by the Business Manager are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the School.

All investments must be considered by the Finance Committee with the Headteacher's direction before being taken to the Full Board of Trustees for final approval.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the School are as follows:

Financial - the School has considerable reliance on continued Government funding through the ESFA. In the last year, 84% of the School's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the School is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

succession planning. In the current climate, recruitment has become an issue in trying to obtain well qualified capable staff within the boundaries of pay grades that has little or no cost of living increase. When comparing public sector pay to the private sector, support staff salaries are falling short.

Fraud and mismanagement of funds - The School has an internal auditor, who reports to the Finance Committee to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The School has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The School has an agreed Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the School. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst the School is oversubscribed, risks to revenue funding from a falling roll are small. However, increasing employment and premises costs and a freeze on income means that budgets will be increasingly tight in coming years. This was reflected in the three year budget forecast submitted to the ESFA.

The Trustees examine the financial health of the School formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review financial forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the School had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the School is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

The School employ a Fundraiser and Marketing Manager, whose prime role is to identify and apply for funding for a variety of items that are not funded from GAG. The success of this work has been extraordinary, particularly in relation to the Work Skills Centre (3 Café). However this academic year the COVID pandemic has seriously affected our ability to fundraise. We have been lucky in that all promised grants have been paid and delivered, however since returning to school the impact on funding streams available have all but dried up.

The Three Ways Charitable Trust (Charity number 1020670) will now be our chosen fundraising arm (previously used to fundraise for The Sensory Studio). Rodney Hodgman is a Trustee of this charity, but it also has 3 other Trustees to avoid any conflict of interest. The charity will raise funds on behalf of Three Ways School but will remain a standalone charity, meeting 3 times per year.

Looking to the future, Lucy Beattie (Fundraising Manager) will continue to source fundraising avenues, however Trustees are aware that we cannot rely on fundraising as a secure source of income. Lucy Beattie will continue to work 2 days per week for the school, however her role will be adjusted to include more marketing and work experience avenues to ensure value for money from her role.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

PLANS FOR FUTURE PERIODS

The School will continue to work with The Special Partnership Multi-Academy Trust under the Memorandum of Understanding whilst undertaking due-diligence.

The School will continue to strive to provide outstanding education and improve the performance of its pupils at all levels. The School will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The School will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of the School's plans for the future are given in the School Improvement Plan, which is available on the School website or from the Clerk to the Trustees.

The School will continue to work and collaborate with the Bath Education Trust and other Multi Academy Trusts to improve staff CPD and ensure good working practices are shared between Senior Managers.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

As at 31 August 2022 the School and its Trustees do not act as the Custodian Trustees of any other Charity.

DISCLOSURE OF INFORMATION TO AUDITORS

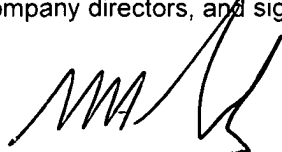
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming Bath Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



M Roberts
Chair of Trustees

Date: 5/12/22

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Three Ways School 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 the Headteacher, 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 Three Ways School 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
S Hobbs	4	6
V Willis	0	6
K Fathers	5	6
C Gerrish	6	6
K Hall	4	6
R Hodgman, Vice Chair	6	6
R McSweeney	5	6
J Radford	4	6
M Roberts, Chair of Trustees	6	6
S Service	6	6
J Stooling, Head Teacher	6	6

Committee Terms of Reference

- A quorum of all committees is any three Trustees or, where greater, any one third of the total number of Trustees on the committee.
- Any question to be decided shall be determined by a simple majority of votes of those Trustees present.
- Committees should consult and provide input to the School Improvement Plan.
- Chairs of committees should consult with the Senior Leadership Team and/or Business Manager to determine the agenda for each meeting.
- All committees shall record minutes of meetings and these minutes shall be made available to all Trustees prior to each meeting of the Board of Trustees.

Finance/Audit and Premises

- To carry out a regular review to ensure that control of School finances is in good order and that accurate and comprehensive financial accounts are maintained.
- To present regular financial reports to the Board of Trustees and recommend courses of action where appropriate.
- In association with the Senior Leadership Team, to draft the budget each year and to present it to the Board of Trustees for approval.
- To assist in drafting the School's Financial Procedures Manual and to ensure that financial management procedures are followed.
- To maintain a Register of Business Interests.
- To assess and agree proposals for expenditure over £2,000.
- To advise and assist the SLT on the control or use of school funds.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

- To ensure annual statutory accounts are produced in accordance with Companies Act and DfE requirements.
- To ensure an appropriate Risk Register is in place and is kept under review.
- To review and ratify any delegated policies appropriate to this committee.
- To advise the Trust Board on the appointment, re-appointment, dismissal, and remuneration of the external and regularity auditor.
- To advise the Trust Board on the need for, and then, where appropriate, the appointment, re-appointment, dismissal, and remuneration of, an internal auditor or other assurance provider to enable the Board to sign the corporate governance statement in the annual accounts.
- To advise the Trust Board on an appropriate programme of work to be delivered by independent assurance providers (external auditors and responsible officer). This programme of work to be derived from the Audit Committee's regard of the key risks faced by the trust.
- To review the external auditor's annual planning document and approve the planned audit approach.
- To receive reports (annual reports, management letters etc) from the external auditor and other bodies, for example the ESFA and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the Board or other committee for information and action.
- To regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- To ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- To consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- To ensure appropriate cooperation and coordination of the work of the external auditor and responsible officer.

Committee Terms of Reference

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
V Willis	5	6
C Gerrish	6	6
R Hodgman	5	5
R McSweeney	6	6
M Roberts	5	5
J Stoaling, Headteacher	6	6

Governance Review

During the course of the year, a trustee skills audit was carried out. It showed that the Board had a broad and varied range of skills that fulfilled the criteria for carrying out their duties and being able to support the Headteacher in the day to day running of the school. However following a resignation towards the end of the academic year, a gap now exists for a trustee with detailed expertise in finance and accounting.

The recruitment of Trustees remains a challenge and it has proved difficult to recruit individuals to the Trust Board who have the right skills and abilities. As a result the total number of Trustees has declined over the last couple of years. Recruitment remains a focus for the coming year.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trust Board were pleased with our recent Ofsted Report from our Inspection on 10th /11th May 2022

- Behaviour and attitudes: Outstanding
- The Quality of education: Good
- Personal development: Good
- Leadership and management: Good
- Early years provision: Outstanding
- Sixth-form provision: Good
- Overall effectiveness: Good

The Memorandum of Understanding (MOU) that was in place with Palladian Academy Trust (PAT) was reviewed by the Board in December 2021 using all evidence that had been submitted to the Trust from the work carried out by Jo Stoaling and Amelia Hartley. It was decided by the board that the Three Ways school would not join the PAT at this time and the MOU was not renewed

Subsequent discussions between the school and the Special Partnership Trust (SPT) have led to the agreement of a new Memorandum of Understanding (MOU) with SPT. Positive interactions over the last few months have led to the Board agreeing to move forward with Due Diligence with a view to Three Ways school joining the SPT if the outcomes of Due Diligence are acceptable to both parties.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the School 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 School's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the School has delivered improved value for money during the year by:

- The School's Financial Procedures Manual (FPM) sets out detailed guidelines on roles, responsibilities and financial oversight; financial planning and monitoring; risk management and internal control; proper and regular use of public funds; and annual accounts and audit. The FPM is reviewed annually, and compliance is mandatory for all staff.
- The financial running of the School is audited three times a year by an internal auditor, including reference to the FPM, with reports to the Trustees through the Finance Committee. The annual audit is also carried out by the School's external auditors prior to the production of the annual company accounts. Any recommendations by the auditors are acted upon to continually improve the provision.
- Management reports are provided for the Chair, Headteacher and Chair of Finance monthly and all other Trustees every term and the Board includes Trustees with a financial background who are on the Finance Committee and act as critical friends. The Trustees also attend regular training to ensure that they can support the School as fully as possible.
- The Headteacher and School Business Manager have continued to review EHCP plans that contain additional interventions. Once identified the interventions are costed and a claim is submitted to the Local Authority for additional funding to meet those needs.
- Working collaboratively - Three Ways School is a member of the Bath Education Trust (BET) along with 5 senior schools, 2 studio schools and one other SEN school, Bath College, Bath Spa University, and the University of Bath. The Business Group of BET meets 3 times a year to share good practices and use the sessions as CPD for School Business Managers (SBM). This then enables the SBM to use contacts and procedures to ensure greater value for money is achieved.
- The Headteacher and School Business Manager have been working with other Multi-Academy Trusts with both a CPD aim and collaboratively to look at good working practices and KPI's for Special Schools to ensure comparability.
- The DfE have launched the new Integrated Curriculum Financial to ensure schools are benchmarking correctly and getting the best value for money, however as yet this software isn't compatible with special

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

schools. The Business Manager has joined the National Network of Special Schools and is actively supporting the campaign to ensure the ICFP works for Special Schools in the future.

- Improving Educational Outcomes - during the year pupil numbers continued to rise and the School saw further increases in both High Needs Top Up funding and Pupil Premium funding. In response to the additional monies the School again increased its staffing levels accordingly. Staffing costs are closely monitored throughout the year in relation to pupil funding income as the bulk of the School's expenditure is on staff. The Board of Trustees together with the Senior Leadership Team have taken the decision to cap the number of pupils at its current level, so this will also limit any increases in staff numbers in the foreseeable future, however this year we have gone over PAN slightly due to some of our students being educated off site.
- Improving income - The School continues to hire out its facilities to external agencies, including the meeting rooms and Water Mobility Pool. A full review has taken place on all hire costs due to the increase in energy costs and salary costs. A benchmarking exercise has been completed with other local pool costs and prices have been increased to reflect both.
- Brighter Futures - training and advice is provided to third parties using a mix of employed staff and consultants, with both fixed and variable costs being carefully managed on a contract-by-contract basis to ensure they at least break even individually. Financial management of Brighter Futures is carried out by the SBM and the School Finance Team, who work closely with the Director of Brighter Futures.

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 School 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 Three Ways School for the year 1 September 2020 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the School 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 School's significant risks that has been in place for the year 1 September 2020 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The School'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; and
- identification and management of risks.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Audit West (formerly Bath and North East Somerset Council Audit Team) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. In particular the checks carried out in the current period included:

- 8th December 2021 Governance
- 1st February 2022 – HR & Payroll
- 15th June 2022 - Purchasing

Three times a year, the Internal Auditor reports to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There was a total of 11 audit recommendations across the three visits, 8 recommendations were from medium risk audit findings and 3 were from a low-risk audit findings. 1 opportunity* was also raised for consideration.

*Opportunities are not considered as weaknesses; they are observations that could potentially enhance the current internal control framework in place.

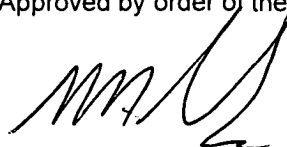
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self assessment process;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

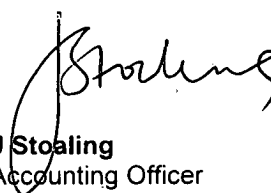
Approved by order of the members of the Board of Trustees and signed on their behalf by:



M Roberts
Chair of Trustees

Date:

5/12/22



J Stalling
Accounting Officer

Date:

5/12/22

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



J Stoling
Accounting Officer

Date: 05/12/22

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

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

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

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

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



M Roberts
Chair of Trustees

Date:

5/12/22

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THREE WAYS SCHOOL

OPINION

We have audited the financial statements of Three Ways School (the 'school') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the School's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THREE
WAYS SCHOOL (CONTINUED)**

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the School'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 School or to cease operations, or have no realistic alternative but to do so.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THREE
WAYS SCHOOL (CONTINUED)**

AUDITORS' 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 Auditors' 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the School's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the School's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the School's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the School ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the School will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the School ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the School operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the School's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THREE
WAYS SCHOOL (CONTINUED)**

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

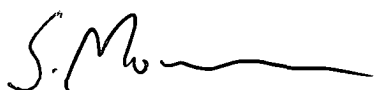
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

This report is made solely to the charitable School'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 School's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Morrison FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 8/12/2022

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THREE WAYS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated November 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Three Ways School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THREE WAYS SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Three Ways School's funding agreement with the Secretary of State for Education dated January 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the 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 School'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.

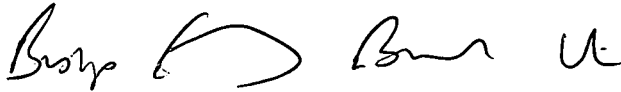
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THREE WAYS
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

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



Reporting Accountant
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 8/12/2022

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	2	-	68,375	28,520	96,895	109,785
Other trading activities		768,482	-	-	768,482	538,501
Investments	5	296	-	-	296	105
Charitable activities		81,095	4,877,104	-	4,958,199	4,873,715
Total income		849,873	4,945,479	28,520	5,823,872	5,522,106
Expenditure on:						
Raising funds		606,078	-	-	606,078	523,829
Charitable activities	7	255,636	5,689,785	190,306	6,135,727	5,552,658
Total expenditure		861,714	5,689,785	190,306	6,741,805	6,076,487
Net expenditure		(11,841)	(744,306)	(161,786)	(917,933)	(554,381)
Transfers between funds	16	-	(105,213)	105,213	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS AND LOSSES		(11,841)	(849,519)	(56,573)	(917,933)	(554,381)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	5,871,000	-	5,871,000	(1,097,000)
Net movement in funds		(11,841)	5,021,481	(56,573)	4,953,067	(1,651,381)
Reconciliation of funds:						
Total funds brought forward		518,647	(7,269,557)	8,517,324	1,766,414	3,417,795
Net movement in funds		(11,841)	5,021,481	(56,573)	4,953,067	(1,651,381)
Total funds carried forward		506,806	(2,248,076)	8,460,751	6,719,481	1,766,414

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

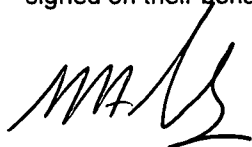
The notes on pages 29 to 54 form part of these financial statements.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08488749

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	8,440,392	8,517,324
Current assets			
Debtors	14	159,936	228,994
Cash at bank and in hand		926,391	873,269
		<u>1,086,327</u>	<u>1,102,263</u>
Creditors: amounts falling due within one year	15	(557,238)	(459,173)
Net current assets		<u>529,089</u>	<u>643,090</u>
Total assets less current liabilities		<u>8,969,481</u>	<u>9,160,414</u>
Net assets excluding pension liability		<u>8,969,481</u>	<u>9,160,414</u>
Defined benefit pension scheme liability	22	(2,250,000)	(7,394,000)
Total net assets		<u><u>6,719,481</u></u>	<u><u>1,766,414</u></u>
Funds of the School			
Restricted funds:			
Fixed asset funds	16	8,460,751	8,517,324
Restricted income funds	16	1,924	124,443
		<u>8,462,675</u>	<u>8,641,767</u>
Restricted funds excluding pension reserve	16	8,462,675	8,641,767
Pension reserve	16	(2,250,000)	(7,394,000)
Total restricted funds	16	<u>6,212,675</u>	<u>1,247,767</u>
Unrestricted income funds	16	<u>506,806</u>	<u>518,647</u>
Total funds		<u><u>6,719,481</u></u>	<u><u>1,766,414</u></u>

The financial statements on pages 26 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



M Roberts
Chair of Trustees

Date: 5/12/22

The notes on pages 29 to 54 form part of these financial statements.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	18	137,680	290,029
Cash flows from investing activities	19	(84,558)	(55,103)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		53,122	234,926
Cash and cash equivalents at the beginning of the year		873,269	638,343
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	20, 21	926,391	873,269
		<hr/>	<hr/>

The notes on pages 29 to 54 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Three Ways School meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School 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 School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold land	- 125 years
Long-term leasehold property	- 50 years
Fixtures and fittings	- 10 years
IT/Electronic equipment	- 3 years
Motor vehicles	- 5 years
Specialist equipment	- 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 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 are measured at the best estimate of the amounts required to settle the obligation.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.14 AGENCY ARRANGEMENTS

The School acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the School does not have control over the charitable application of the funds. The School can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 27.

1.15 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Operating leases

The School obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the School to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	68,375	-	68,375	26,490
Capital Grants	-	28,520	28,520	83,295
	<u>68,375</u>	<u>28,520</u>	<u>96,895</u>	<u>109,785</u>
TOTAL 2021	<u>17,790</u>	<u>91,995</u>	<u>109,785</u>	

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DfE/ESFA GRANTS				
General Annual Grant	-	2,200,000	2,200,000	2,200,000
OTHER DfE/ESFA GRANTS				
Pupil Premium	-	101,219	101,219	109,856
UIFSM	-	3,875	3,875	12,746
Other DfE/ESFA Grants	-	49,921	49,921	19,072
	-	2,355,015	2,355,015	2,341,674
OTHER GOVERNMENT GRANTS				
High Needs	-	2,298,267	2,298,267	2,168,401
Teachers Pay and Pension Grant	-	145,187	145,187	145,187
Other Government Grants	-	44,583	44,583	-
	-	2,488,037	2,488,037	2,313,588
Other income from the School's education	81,095	-	81,095	113,005
COVID-19 ADDITIONAL FUNDING (DfE/ESFA)				
Catch-up Premium	-	-	-	54,000
Recovery Premium	-	24,433	24,433	-
Mass Testing Grant	-	8,540	8,540	43,150
Vaccination Funding	-	1,079	1,079	-
Academies Emergency Support	-	-	-	8,298
	-	34,052	34,052	105,448
	81,095	4,877,104	4,958,199	4,873,715
	81,095	4,877,104	4,958,199	4,873,715
TOTAL 2021	113,005	4,760,710	4,873,715	

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	24,040	24,040	10,171
Brighter Futures and Cafe Income	744,442	744,442	528,330
	<u>768,482</u>	<u>768,482</u>	<u>538,501</u>
TOTAL 2021	<u>538,501</u>	<u>538,501</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	296	296	105
	<u>105</u>	<u>105</u>	
TOTAL 2021	<u>105</u>	<u>105</u>	

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:					
Direct costs	309,899	-	296,179	606,078	523,829
EDUCATION:					
Direct costs	4,385,973	190,306	358,270	4,934,549	4,477,859
Allocated support costs	618,257	313,407	269,514	1,201,178	1,074,799
	<u>5,314,129</u>	<u>503,713</u>	<u>923,963</u>	<u>6,741,805</u>	<u>6,076,487</u>
TOTAL 2021	<u>4,894,126</u>	<u>266,593</u>	<u>915,768</u>	<u>6,076,487</u>	

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Education	<u>255,636</u>	<u>5,880,091</u>	<u>6,135,727</u>	<u>5,552,658</u>
TOTAL 2021	<u>123,281</u>	<u>5,429,377</u>	<u>5,552,658</u>	

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	4,934,549	1,201,178	6,135,727	5,552,658
TOTAL 2021	4,477,859	1,074,799	5,552,658	

ANALYSIS OF DIRECT COSTS

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	110,000	92,000
Staff costs	4,348,378	3,909,100
Depreciation	190,306	188,804
Educational supplies	59,284	37,566
Examination fees	(231)	8,050
Staff development	23,557	21,019
Specialist therapists and consultants	160,915	156,835
Supply teachers	37,595	59,836
Technology costs	4,745	4,649
	4,934,549	4,477,859

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	25,000	22,000
Staff costs	618,257	622,843
Other costs	24,476	11,172
Recruitment and support	3,384	2,306
Maintenance of premises and equipment	117,492	63,626
Cleaning	17,955	42,956
Rent and rates	10,072	8,309
Energy costs	100,240	58,901
Insurance	58,467	47,877
Security and transport	12,994	12,097
Catering	64,208	64,542
Technology costs	10,197	6,185
Office overheads	66,746	59,670
Legal and professional	51,810	33,932
Bank interest and charges	2,084	1,593
Loss on disposal of fixed assets	-	3,265
Governance	17,796	13,525
	<u>1,201,178</u>	<u>1,074,799</u>

9. NET EXPENDITURE

Net expenditure for the year includes:

	2022 £	2021 £
Operating lease rentals	1,804	3,607
Depreciation of tangible fixed assets	190,306	188,804
Loss on disposal of fixed assets	-	3,265
Fees paid to auditors for:		
- audit	10,200	9,250
- other services	1,550	1,400
	<u>193,550</u>	<u>192,066</u>

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,623,390	3,426,520
Social security costs	279,773	254,367
Pension costs	1,373,371	1,153,403
	<u>5,276,534</u>	<u>4,834,290</u>
Supply teacher costs	37,595	59,836
	<u>5,314,129</u>	<u>4,894,126</u>

b. STAFF NUMBERS

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

	2022 No.	2021 No.
Teachers	29	32
Educational Support	146	133
Administration	13	12
Management	7	7
	<u>195</u>	<u>184</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	27	25
Educational Support	88	83
Administration	8	6
Management	7	9
	<u>130</u>	<u>123</u>

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	=====	=====

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the School comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the School was £452,975 (2021: £416,913).

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of the services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the School in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: J Stooling: Remuneration £85,000 - £90,000 (2021: £80,000 - £85,000), Employer's pension contributions £10,000 - £15,000 (2021: £15,000 - £20,000), S Hobbs: Remuneration £20,000 - £25,000 (2021: £15,000 - £20,000), Employer's pension contributions £5,000 - £10,000 (2021: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in note 25.

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to 0 Trustees (2021 - £NIL to 0 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

The School has opted into the Department of 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 membership.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. TANGIBLE FIXED ASSETS

	Long-term leasehold land and property £	Fixtures and fittings £	IT/Electronic equipment £	Motor vehicles £	Specialist equipment £	Total £
COST OR VALUATION						
At 1 September 2021	9,188,334	191,393	222,558	104,988	179,493	9,886,766
Additions	-	-	89,805	-	23,569	113,374
Disposals	-	-	-	-	(5,542)	(5,542)
At 31 August 2022	9,188,334	191,393	312,363	104,988	197,520	9,994,598
DEPRECIATION						
At 1 September 2021	898,335	66,903	190,056	91,005	123,143	1,369,442
Charge for the year	116,183	18,890	23,452	4,983	26,798	190,306
On disposals	-	-	-	-	(5,542)	(5,542)
At 31 August 2022	1,014,518	85,793	213,508	95,988	144,399	1,554,206
NET BOOK VALUE						
At 31 August 2022	8,173,816	105,600	98,855	9,000	53,121	8,440,392
At 31 August 2021	8,289,999	124,490	32,502	13,983	56,350	8,517,324

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	11,342	41,401
Other debtors	13,751	14,203
Prepayments and accrued income	97,171	145,098
VAT recoverable	37,672	28,292
	<u>159,936</u>	<u>228,994</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	36,841	107,362
Other taxation and social security	56,943	56,114
Other creditors	23,393	20,049
Accruals and deferred income	440,061	275,648
	<u>557,238</u>	<u>459,173</u>

	2022 £	2021 £
Deferred income at 1 September 2021	278,288	88,033
Resources deferred during the year	294,566	278,288
Amounts released from previous periods	(278,288)	(88,033)
	<u>294,566</u>	<u>278,288</u>

At the year end, the School was holding funds received in advance for educational psychology services for other schools and other income relating to the 2022/23 academic year.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	377,049	108,433	(243,793)	-	-	241,689
Three Ways Brighter Futures	170,381	697,524	(554,350)	-	-	313,555
3 Café	(28,783)	43,916	(63,571)	-	-	(48,438)
	<u>518,647</u>	<u>849,873</u>	<u>(861,714)</u>	<u>-</u>	<u>-</u>	<u>506,806</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	90,943	2,200,000	(2,185,730)	(105,213)	-	-
Pupil Premium	-	101,219	(101,219)	-	-	-
Universal Infant Free School Meals	-	3,875	(3,875)	-	-	-
Other DfE/ESFA Grants	8,500	49,921	(58,421)	-	-	-
High Needs	-	2,298,267	(2,298,267)	-	-	-
Teachers Pay & Pension Grant	-	145,187	(145,187)	-	-	-
Other government grants	-	44,583	(44,583)	-	-	-
Other restricted funds	-	68,375	(66,451)	-	-	1,924
DfE/ESFA COVID-19 Grants	25,000	34,052	(59,052)	-	-	-
Pension reserve	(7,394,000)	-	(727,000)	-	5,871,000	(2,250,000)
	<u>(7,269,557)</u>	<u>4,945,479</u>	<u>(5,689,785)</u>	<u>(105,213)</u>	<u>5,871,000</u>	<u>(2,248,076)</u>

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,870,079	-	(107,928)	-	-	7,762,151
Fixed assets purchased from GAG and other restricted funds	212,393	13,281	(67,222)	110,651	-	269,103
Workskills centre development	444,653	-	(15,156)	-	-	429,497
Minibus	(9,801)	-	-	9,801	-	-
ESFA/DfE Capital Grants	-	15,239	-	(15,239)	-	-
	<u>8,517,324</u>	<u>28,520</u>	<u>(190,306)</u>	<u>105,213</u>	<u>-</u>	<u>8,460,751</u>
TOTAL RESTRICTED FUNDS	<u>1,247,767</u>	<u>4,973,999</u>	<u>(5,880,091)</u>	<u>-</u>	<u>5,871,000</u>	<u>6,212,675</u>
TOTAL FUNDS	<u><u>1,766,414</u></u>	<u><u>5,823,872</u></u>	<u><u>(6,741,805)</u></u>	<u><u>-</u></u>	<u><u>5,871,000</u></u>	<u><u>6,719,481</u></u>

**THREE WAYS SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the School, including education and support costs.

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

Universal Infant Free School Meals - represents funding from the ESFA to provide school meals to pupils in key stage 1 or below.

Other DfE/ESFA Grants - other funding received from the DfE/ESFA in relation to PE & Sports Grant and National Tutoring Programme.

High needs funding is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

Teachers Pay & Pension Grant - Funding from Local Authorities to support schools with the cost of the increase in employer contributions to the Teachers' Pension Scheme from September 2019 and Teachers' pay relating to 2018 and 2019 teachers' pay awards.

Other Local Authority funding represents Pupil Premium income received from the Local Authority.

Other restricted funds represents amounts received from various bodies and includes income from the following: BISPA, Quartet and parent contributions to trips.

DfE/ESFA COVID-19 Grants - funding from the ESFA to support pupils whose education has been impacted by coronavirus (COVID-19) and to cover additional costs incurred due to COVID-19.

The pension fund represents the School's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The School is following the recommendation of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represents the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

Workskills Centre build funds represents restricted donations and fund raising for the build of a training centre on the School site for the educational benefit of students.

Minibus fund represents restricted donations received for a new minibus purchased by the School.

DfE/ESFA Capital grants represent funding from the ESFA to cover the maintenance and purchase of the School's assets such as Devolved Formula Capital.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	377,049	123,281	(123,281)	-	-	377,049
Three Ways Brighter Futures	155,733	471,820	(457,172)	-	-	170,381
3 Café	(18,636)	56,510	(66,657)	-	-	(28,783)
	<u>514,146</u>	<u>651,611</u>	<u>(647,110)</u>	<u>-</u>	<u>-</u>	<u>518,647</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	92,759	2,200,000	(2,140,196)	(61,620)	-	90,943
Pupil Premium	-	109,856	(109,856)	-	-	-
Universal Infant Free School Meals	-	12,746	(12,746)	-	-	-
Devolved Formula Capital	-	15,112	(15,112)	-	-	-
PE Sports Grant	-	17,060	(8,560)	-	-	8,500
High Needs	-	2,168,401	(2,168,401)	-	-	-
Other restricted funds	-	71,250	(71,250)	-	-	-
COVID Catch Up Premium	-	54,000	(29,000)	-	-	25,000
Teachers Pay and Pension Grant	-	145,187	(145,187)	-	-	-
Pension reserve	(5,760,000)	-	(537,000)	-	(1,097,000)	(7,394,000)
	<u>(5,667,241)</u>	<u>4,793,612</u>	<u>(5,237,308)</u>	<u>(61,620)</u>	<u>(1,097,000)</u>	<u>(7,269,557)</u>

THREE WAYS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,989,527	-	(119,448)	-	-	7,870,079
Fixed assets purchased from GAG and other restricted funds	121,137	76,883	(47,247)	61,620	-	212,393
Workskills centre development	458,563	-	(13,910)	-	-	444,653
Minibus	1,663	-	(11,464)	-	-	(9,801)
	<u>8,570,890</u>	<u>76,883</u>	<u>(192,069)</u>	<u>61,620</u>	<u>-</u>	<u>8,517,324</u>
TOTAL RESTRICTED FUNDS	<u>2,903,649</u>	<u>4,870,495</u>	<u>(5,429,377)</u>	<u>-</u>	<u>(1,097,000)</u>	<u>1,247,767</u>
TOTAL FUNDS	<u>3,417,795</u>	<u>5,522,106</u>	<u>(6,076,487)</u>	<u>-</u>	<u>(1,097,000)</u>	<u>1,766,414</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	8,440,392	8,440,392
Current assets	506,806	559,162	20,359	1,086,327
Creditors due within one year	-	(557,238)	-	(557,238)
Provisions for liabilities and charges	-	(2,250,000)	-	(2,250,000)
TOTAL	<u>506,806</u>	<u>(2,248,076)</u>	<u>8,460,751</u>	<u>6,719,481</u>

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	8,517,324	8,517,324
Current assets	518,647	583,616	-	1,102,263
Creditors due within one year	-	(459,173)	-	(459,173)
Provisions for liabilities and charges	-	(7,394,000)	-	(7,394,000)
TOTAL	518,647	(7,269,557)	8,517,324	1,766,414

18. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(917,933)	(554,381)
ADJUSTMENTS FOR:		
Depreciation	190,306	188,804
Capital grants from DfE and other capital income	(28,520)	(83,295)
Interest receivable	(296)	(105)
Defined benefit pension scheme cost less contributions payable	592,000	423,000
Defined benefit pension scheme finance cost	135,000	114,000
Loss on disposal of fixed assets	-	3,265
Decrease/(increase) in debtors	69,058	(44,389)
Increase in creditors	98,065	243,130
NET CASH PROVIDED BY OPERATING ACTIVITIES	137,680	290,029

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Purchase of tangible fixed assets	(113,374)	(138,503)
Capital grants received	28,520	83,295
Interest receivable	296	105
NET CASH USED IN INVESTING ACTIVITIES	(84,558)	(55,103)

THREE WAYS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand and at bank	926,391	873,269
TOTAL CASH AND CASH EQUIVALENTS	926,391	873,269

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	873,269	53,122	926,391
	873,269	53,122	926,391

22. PENSION COMMITMENTS

The School'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 Avon Pension Fund. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

TEACHERS' PENSION SCHEME

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £306,177 (2021 - £306,492).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £548,000 (2021 - £508,000), of which employer's contributions totalled £429,000 (2021 - £394,000) and employees' contributions totalled £ 119,000 (2021 - £114,000). The agreed contribution rates for future years are 16.1 per cent for employers and 5.5-12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the School, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the School at the balance sheet date.

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

The Academy agreed with the McCloud judgement and has been making monthly payments to this effect.

THREE WAYS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2022	2021
	%	%
Rate of increase in salaries	4.3	4.3
Rate of increase for pensions in payment	2.9	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumptions (CPI)	2.8	2.8

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

	2022	2021
	Years	Years
RETIRING TODAY		
Males	23.1	23.3
Females	25.3	25.4
RETIRING IN 20 YEARS		
Males	24.6	24.8
Females	27.3	27.4

SHARE OF SCHEME ASSETS

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	1,636,000	1,536,000
Corporate bonds	681,000	641,000
Property	289,000	227,000
Cash and other liquid assets	12,000	65,000
Other	1,343,000	1,130,000
TOTAL MARKET VALUE OF ASSETS	3,961,000	3,599,000

The actual return on scheme assets was £-76,000 (2021 - £475,000).

THREE WAYS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. PENSION COMMITMENTS (CONTINUED)

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

	2022 £	2021 £
Current service cost	(1,021,000)	(817,000)
Interest income	65,000	40,000
Interest cost	(188,000)	(154,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,144,000)	(931,000)

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

	2022 £	2021 £
AT 1 SEPTEMBER	10,993,000	8,446,000
Current service cost	1,021,000	817,000
Interest cost	188,000	154,000
Employee contributions	119,000	114,000
Actuarial losses	(6,012,000)	1,521,000
Benefits paid	(98,000)	(59,000)
AT 31 AUGUST	6,211,000	10,993,000

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

	2022 £	2021 £
AT 1 SEPTEMBER	3,599,000	2,686,000
Interest income	65,000	52,000
Actuarial gains	(141,000)	424,000
Employer contributions	429,000	394,000
Employee contributions	119,000	114,000
Benefits paid	(98,000)	(59,000)
Administration expenses	(12,000)	(12,000)
AT 31 AUGUST	3,961,000	3,599,000

**THREE WAYS SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. OPERATING LEASE COMMITMENTS

At 31 August 2022 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	2,344	3,607
Later than 1 year and not later than 5 years	-	1,804
	<u>2,344</u>	<u>5,411</u>

24. 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.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the School 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 trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the School's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions arose in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

26. GENERAL INFORMATION

Three Ways School is a company limited by guarantee, incorporated in England and Wales. The registered office is 180 Frome Road, Bath, Avon, BA2 5RF.

27. AGENCY ARRANGEMENTS

The School distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2021 the School received £2,798 (2021: £2,012) and disbursed £2,798 (2021: £2,012) from the fund.

The School receives money from the Bath Primary Partnership and disburses this amount to Primary Schools in the local area. In the year ended 31 August 2022 the School received £240,032 (2021: £230,789) and disbursed £240,915 (2021: £222,928). Surplus funds of £883 were held as debtors at the year end. (2021: £17,061 were held as creditors at the year end).