

Knowle Church of England Primary Academy

Governors' report and financial statements

For the year ended 31 August 2022



Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Governors' report	3 - 12
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Governors' responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 56

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Reference and Administrative Details

Members

L Mackay
H Morris
P J Sidwell
G Breatnach
Rev G P Lanham
S Covington
S Rankin (appointed 11 November 2021)

Governors (Trustees)

H Ager (resigned 14 February 2022)¹
S Covington, Chair of Governors¹
J Godsall¹
L Shepherd (appointed 15 February 2022, resigned 9 April 2022)
L Mackay¹
S Day (resigned 6 December 2021)¹
C Harris¹
S Harris
D N Hillier¹
H Fulker (resigned 5 December 2021)
H S Morris¹
P J Sidwell¹
C D Welton (resigned 5 February 2022)¹
H C Fitzgerald (resigned 14 February 2022)¹
Rev G P Lanham¹
D Cox (appointed 6 December 2021)
C Bartley¹
S Rankin¹
A Gilham (appointed 15 February 2022)
B Hardie (appointed 15 February 2022)

¹ Finance and General Purposes Committee

**Company registered
number**

08437300

Company name

Knowle Church of England Primary Academy

**Principal and registered
office**

Kixley Lane
Knowle
Solihull
West Midlands
B93 0JE

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Reference and Administrative Details (continued)
For the Year Ended 31 August 2022

**Senior management
team**

J Godsall, Principal and Accounting Officer
E Clarke, Vice Principal
M Stonehill, Vice Principal
E Lynch, Business and Facilities Manager (Resigned September 2022)

Independent auditors

Dains Audit Limited
Chartered Accountants
15 Colmore Row
Birmingham
B3 2BH

Bankers

Lloyds Bank
Poplar Road
Solihull
West Midlands
B91 3AN

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2022

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

Knowle CE Primary Academy is a standalone academy trust. It serves the children and families of the village of Knowle and the surrounding area of Solihull. It offers education and childcare for children aged 3 – 11 years and currently has 505 pupils on roll.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association and Articles of Association are the primary governing documents of the academy trust.

The Governors of Knowle Church of England Primary Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Knowle Church of England Primary Academy.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

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

In accordance with the Articles of Association, the Academy's Governing Body comprises the following:

- Up to 3 Governors appointed by the members
- Up to 3 Foundation Governors, which shall comprise the Incumbent as an ex officio Governor and up to 2 Governors notified to the Academy by the Diocese and Knowle United Charities acting together
- A minimum of 2, and no more than 5, Parent Governors who are elected by parents of registered pupils at the Academy
- 3 Staff Governors
- 4 Community Governors
- The Principal, who is treated for all purposes as being an ex officio Governor

Governors are appointed for a four year period, except that this time limit does not apply to the Principal or the Incumbent. Subject to remaining eligible to be a particular type of Governor, any Governor may be re appointed or re elected.

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

Structure, governance and management (continued)

development.

Since becoming an academy, the Governors have regularly undertaken a full skills audit to determine any weakness in the range of expertise and experiences.

d. Policies adopted for the induction and training of Governors

The Board of Governors has devised an informal induction process to ensure that all Governors understand their roles and responsibilities. The training and induction provided for new Governors will depend on their experience but would always include an induction meeting with the Principal and the Chair of Governors, a tour of the Academy with the Chair of Governors, and a chance to meet staff and pupils. All Governors have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as Governors. Governors make regular use of the training packages offered by the National Governors Association and Solihull LA Governor Services; these activities are coordinated by the Governance Professional (Clerk to the Governing Body). All Governors are subject to DBS checks.

e. Organisational structure

The Governing Body – Full Board

- Resources and Planning Committee (includes Audit & Risk)
- Scrutiny and Standards Committee
- Pay Committee
- Curriculum and Collaborative Partnership Committee

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

The academy has a Pay Policy which is reviewed annually by the Governors and is based on the locally agreed model policy, which is in turn based on the School Teachers' Pay and Conditions document. This covers all key management personnel who are qualified teachers. The policy for other key management personnel is based on the terms and conditions of the National Joint Council for local authority services and the Solihull MBC pay bands; this is also agreed by the Governors.

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£**

Total cost of facility time	-
Total pay bill	2,161,685
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Knowle Church of England Primary Academy to provide education for pupils aged 3 - 11, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;

The main aims of the Academy during the period ending 31 August 2022 are summarised below;

Preparing Children for the Future

<p><u>Be Healthy</u></p> <p>We aim to empower each child to become physically, mentally and emotionally healthy in order that they can learn effectively and choose a healthy lifestyle.</p>	<p><u>Embrace Christian Values</u></p> <p>We aim to empower each child to develop socially, morally, ethically and spiritually by experiencing and sharing in our Christian beliefs and values</p>	<p><u>Stay Safe</u></p> <p>We aim to develop and sustain a happy and secure environment in which children become self-confident, articulate, emotionally aware, socially adept, literate and numerate in order to make the right life choices and, therefore, be inherently safer.</p>
<p><u>Make a Positive Contribution</u></p> <p>We aim to empower children to actively engage in the planning of their learning experiences and have the confidence to express themselves in discussion and in writing in order that they will choose to engage positively in social and community roles, becoming global citizens.</p>	<p><u>Enjoy and Achieve</u></p> <p>We aim to empower each child to experience the joy of learning and to achieve success, developing their capacity to learn independently and interdependently in order that they choose to be engaged in lifelong learning.</p>	<p><u>Achieve Economic Well-being</u></p> <p>We aim to empower each child to develop a positive attitude, become self-motivated, and develop key academic and social skills, which enable them to think creatively and choose to impact on, influence and shape the world they live in.</p>

Trustees' Report (continued)
For the Year Ended 31 August 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The following key areas for development in 2021/22 were prioritised as follows:

The national and local response to the global pandemic (COVID-19) continued to determine the circumstances under which the academy was required to operate.

To review and improve pedagogy and practice across the school to ensure that the needs of all pupils are met appropriately (in particular those pupils with SEND and/or identified vulnerability) and that progress and achievement outcomes are at least good and often outstanding for every pupil.

- To review our current structure/organisation and management of learning to better understand how we can improve outcomes for our most vulnerable pupils (including SEND).
- To ensure that those pupils most in need of high quality provision are accurately prioritised and targeted appropriately.
- All teachers to have improved knowledge and understanding of how to plan for differentiation in all subjects and to deliver effective lessons.
- Senior Leaders, Subject Leaders and Governors are able to monitor the implementation and impact of the changes made to pedagogy and practice.

To further revise and improve our curriculum (taking into account the impact of the pandemic) to ensure that it is tailored to all our pupils' needs, addresses our concerns with regards to Health and Well-being (SMILE) and continues to provide experiences that enable genuine breadth and depth of learning for our pupils.

- To review and revise our curriculum improvement strategy as completed up until March 2020 and then subsequently restarted in September 2021.
- To support Subject Leaders in the further development of their subject focussing on: Intent (Autumn), Implementation (Spring) and Impact (Summer).
- To review the SMILE agenda against the revised Long Term Curriculum Plan for each year group to enable pupils to better understand the complexity of the world they live in and the extent to which they can influence and shape their own future.
- Improving the Governing Body's knowledge and understanding of the revised Academy Curriculum.

To review and improve the way in which we teach Reading across the school to ensure that we have a consistent approach that is well understood by all members of the teaching team and results in pupils attaining standards that are at least in line with the individual's prior attainment and, by cohort, are better than national age-related expectations.

- To maintain and improve fluency (where required) in reading across the school.
- To ensure that assessment of reading is accurate and informed by relevant evidence; recording systems will be consistent across the school.
- To ensure that the teaching of reading across the school is of a high standard and is appropriate to the needs of pupils.
- To provide motivational ways of encouraging children to read especially during a period of 'blended' learning when programmes and record keeping needs to be more flexible.
- To ensure that 'Sounds Write' phonics is taught with consistency and matches the expectations of each year group's reading/spelling curriculum.
- To ensure that reading books in EYFS/KS1 are matched to the phonic knowledge of the pupils.

Trustees' Report (continued)
For the Year Ended 31 August 2022

Objectives and activities (continued)

c. Public benefit

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

Strategic report

Achievements and performance

a. Key performance indicators

Achievement at the end of the Early Years Foundation Stage

	Knowle	National (2019)
Attained a Good Level of Development (GLD)	72%	71.8%

This is the first year that the new Early Learning Goals (ELGs) have been rolled out nationally. 72% GLD is lower than we have achieved in previous years. The comparison with the 2019 national data should be viewed with caution as this was achieved under the previous ELGs' criteria.

Phonics Screening – Year 1

	Knowle	National
Outcomes of Phonics Screening	85%	75%

A 'catch up' programme will once again be implemented in Year 2 for those children who did not pass the screening. In 2022, this programme was highly effective in that 97% of those who did not pass in Year 1 (2021) went on to achieve the standard.

Achievement at the end of Key Stage One

Subject	2022 Expected+		2022 High Standard	
	Knowle	Local Authority	Knowle	Local Authority
Reading	80%	67%	18%	18%
Writing	72%	58%	10%	8%
Maths	78%	68%	23%	15%

Despite interruptions to education due to the pandemic, outcomes for Expected+ remain very healthy and significantly above the local authority averages. As expected, the proportions achieving the higher standard has dropped and perhaps shows the greatest impact of the pandemic on academic achievement.

Strategic report (continued)

Achievements and performance (continued)

Year 4 Multiplication Tables Check

	Above 20/25	Scored 100%
Year 4 Tables Check	82%	45%

This is the first time this check has been completed nationally. There is no 'pass' mark for this test.

Achievement at the end of Key Stage Two

	2022 Expected+		2022 High Standard	
Subject	Knowle	National	Knowle	National
RWM	72%	59%	18%	7%
Reading	87%	74%	43%	28%
Writing	73%	69%	27%	13%
Maths	87%	71%	40%	22%
SPAG	83%	72%	45%	28%

Despite the pandemic, KS2 outcomes remain very strong and are in line with previous results. This reflects the strength of our Remote Learning package and our Recovery Curriculum.

End of Key Stage Two Progress Scores

	2022	
Subject	Knowle	National Average
Reading	+2.0	0.0
Writing	+0.8	0.0
Maths	+2.5	0.0

A positive (+) progress score means that pupils, on average, have made better progress by the end of KS2 than those pupils with similar prior attainment nationally.

b. Going concern

The Governors assess whether the use of the going concern basis is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Review of financial performance

Most of the Academy'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 grants from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as Restricted Income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2022, total expenditure (excluding movements on the Fixed Asset Fund and movements on the pension reserve) of £2,505,471 was covered by recurrent grant funding from the DfE, together with other incoming resources of £2,662,730.

At 31 August 2022, the net book value of fixed assets was £5,542,351 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 Academy.

b. Reserves policy

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Academy has determined that it will maintain a reserve of Restricted Funds of 5% of its total budget (circa £150,000) to offset unforeseen circumstances. Regular monitoring of this will ensure that reserves do not drop below 3%.

The Academy's current level of unrestricted and restricted reserves (not including the pension reserve) is £330,398 (2021 - £201,191). The Governors' plan to use these funds to further augment staffing to support the development of the new Inclusion Team, to continue to provide training and support for Subject Leaders as they review and improve the curriculum; to make necessary improvements to the outdoor learning environment for our Nursery (Phase 2&3), complete a planned programme of maintenance and repair works, renew/replace the ICT provision – PCs/laptops/iPads on the 2022/2023 asset management list and support the development of playtime/lunchtime provision including the recruitment of additional personnel. It will also be used to supplement the budget in the future as forecasts indicate that this will be necessary especially when the 'bulge year' (Year 6 in 2022/2023) leave the academy. The Academy's current level of free reserves is £214,405 (2021 - £201,191).

c. Investment policy

The Governors have reviewed the academy's policy in the light of the impact of the COVID pandemic on investment opportunities. Interest rates remain very low and it has not been possible to find a worthwhile investment opportunity within the permitted rules for investment so it was decided to discontinue investing at this time. This decision will be reviewed annually.

d. Financial risk management objectives and policies

Whilst the Academy has an adequate intake of pupils, risks to revenue funding from a falling roll are small. The changes to the way in which the Government funds education, i.e. the National Funding Formula has had a positive impact on the academy, which has been historically less well funded than similar schools in other areas however, increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance and General Purposes Committee meetings.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governors recognise that the defined benefit 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 Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

e. Principal risks and uncertainties

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

- Financial - considerable reliance on continued funding from ESFA/Extended Services
- Failures in Governance or Management
- Reputational
- Safeguarding and Child Protection
- Fraud and Mismanagement of Funds
- Staffing

f. Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy. With regard to financial risk, the Governors have developed a system to assess risks i.e. The Risk Management Policy/Risk Register. This ensures that systems and internal financial controls are reviewed at least annually in order to minimise risk; all identified risks are reviewed again on at least an annual basis. Where significant financial risk still remains the Governors have ensured that they have adequate insurance cover.

Fundraising

Fundraising for the Academy is undertaken by the Parents' Association. They operate as a registered Charity in their own right and are organised and managed by an elected committee of parents. A member of the academy staff has a designated role to act as liaison and, as such, attends all committee meetings, providing feedback to the Principal which enables effective oversight. The Governors are confident that the Parents' Association fundraising activities conform to recognised standards. The nature of the fundraising i.e. parents are invited to attend fundraising events which may be chargeable or invite financial contribution ensures that the approach is not unreasonably intrusive or persistent and does not result in undue pressure to donate.

Trustees' Report (continued)
For the Year Ended 31 August 2022

Plans for future periods

The focus for school improvement in 2022/23 is to:

In order to sustain the judgement of Outstanding for Overall Effectiveness the academy has identified the following key priorities:

- To improve the academy's capacity and ability to deliver a more inclusive education for all pupils so that barriers to learning are minimised and learning outcomes are closely matched to an individual's potential.
- To continue to develop the role of Subject Leaders to ensure that the implementation of the curriculum enables pupils to retain key knowledge and understanding across all subjects thus ensuring effective learning.
- To continue to improve the provision for early Reading to ensure that all pupils make expected progress and, for those who fall behind, there is early intervention resulting in rapid progress so that they may 'catch up'.

Disclosure of information to auditors

Insofar as the Governors are aware:


- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The designated Governors, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 31 August 2022. The designated Governors will propose a motion reappointing Dains Audit Limited at a meeting of the Governors.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 December 2022 and signed on its behalf by:


S Covington
Chair of Governors


J Godsall
Principal and Accounting Officer

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Knowle Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities and in the Statement of Governors' responsibilities. The Board of Governors has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
H Ager (Resigned 14/02/22)	1	1
S Covington, Chair of Governors	4	4
J Godsall	4	4
L Shepherd (Appointed 15/02/22, Resigned 09/04/22)	0	1
L Mackay	4	4
S Day (Resigned 06/12/21)	1	1
C Harris	3	4
S Harris	1	4
D N Hillier	4	4
H Fulker (Resigned 05/12/21)	1	1
H S Morris	4	4
P J Sidwell	2	4
C D Welton (Resigned 05/02/22)	1	1
H C Fitzgerald (Resigned 14/02/22)	0	1
Rev G P Lanham	3	4
D Cox (Appointed 06/12/21)	0	3
C Bartley	4	4
S Rankin	4	4
A Gilham (Appointed 15/02/22)	2	3
B Hardie (Appointed 15/02/22)	3	3

Governance Statement (continued)

Governance (continued)

In order to comply with the requirements of The Academies Handbook 2020, with regard to the numbers of times the Board should meet and how it maintained effective oversight of funds during this period, the following arrangements were put in place:

- Management Accounts to be produced every month and to be shared with the Chair of the Resources & Planning Committee at a monthly meeting held with The Accounting Officer, The Business and Facilities Manager and the Finance Manager.
- The most up-to-date Management Accounts to be presented to the Resources and Planning Committee once per term and subsequently reported back to the Full Board each term.
- In the intervening months between committee meetings, the Management Accounts to be securely emailed to all Governors, including the Chair of Governors, who will be asked to comment and raise questions, which will then be considered by the Finance Manager and a response provided.

Governance reviews:

The Scrutiny and Standards Committee is a sub-committee of the main Board of Governors. As part of its remit members scrutinise data provided by the Senior Leadership of the Academy, the local authority and national data sets provided by the DfE and the STA (Standards and Testing Agency). The committee is able to compare and contrast the information provided via these different sources and is therefore confident that they have an accurate picture of the academic performance of the school. Whilst this committee was unable to review any Statutory National Curriculum assessment data, due to cancellation of statutory assessment by the DfE, it was able to scrutinise and review internal assessment data provided by the academy.

As a result, the Board continues to function effectively, discharging all duties as required by the DfE in the 'Governance Handbook' – 2017, the 'Competence Framework for Governors' – 2017 and the 'Academies Financial Handbook 2020'.

The Finance and General Purposes Committee (Resources and Planning) is a sub committee of the main Board of Governors. Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements
- Set targets to measure financial and other performance
- Receive and act upon reports from the Responsible Officer
- Draft the annual budget
- Ensure delegation of authority and segregation of duties
- Identify and manage risks

Attendance at Finance and General Purposes Committee meetings in the year was as follows:

Due to the COVID-19 pandemic the usual three meetings scheduled to take place were restructured to accommodate in-depth criteria-led discussion using 'virtual' technology. For the Autumn and Spring terms these were separated out as Meeting 1) – Maintenance and Planned Works, Meeting 2) – Staffing and Meeting 3) - Finance – including Audit and Risk. In the Summer term, Meetings 1 and 2 were combined. In addition, the committee meetings were supplemented by a monthly face-to-face meeting between the Accounting Officer, Finance Manager, Business & Facilities Manager and the Chair and Vice Chair of the Resources & Planning Committee.

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Trustee	Meetings attended	Out of a possible
H Ager (Resigned 14/02/22)	2	2
S Covington	7	7
J Godsall	7	7
L Shepherd (Appointed 15/02/22, Resigned 09/04/22)	2	2
L Mackay	6	7
S Day (Resigned 06/12/21)	1	2
A Gilham (Resigned 15/02/22)	3	4
H S Morris	2	7
P J Sidwell	6	7
C D Welton (Resigned 05/02/22)	1	2
H C Fitzgerald (Resigned 14/02/22)	0	2
S Rankin	7	7
C Bartley	5	7
D Cox (Appointed 06/12/21)	2	5
B Hardie (Appointed 15/02/22)	3	4
Review of value for money		

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

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

As Accounting Officer, the Principal has ensured the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. This has been achieved by strict adherence to all agreed policies and procedures, open and transparent decisions about the recruitment, retention and deployment of staff, robust monitoring of all aspects of the Academy's work including monthly finance monitoring meetings and a full programme of Academy self evaluation processes. Providers of all goods and services are regularly reviewed for value for money and quality assurance purposes. Governors were kept informed and up to date throughout the academic year via the appropriate committee meetings.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Knowle Church of England Primary Academy for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has decided to employ MLG Education Services as internal auditor.

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

- testing of related party transactions
- testing of process and accuracy of identifying and allocating ESFA grants
- website compliance
- compliance regarding the number of Governing Body meetings
- process for monitoring the financial impact of COVID
- reviewing process for 3-year budget forecasting
- effective use of KPIs
- testing of transactions relating to debit card, ParentPay and payroll
- review of Risk Register

On an annual basis, the internal auditor reports to the Board of Governors through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered the schedule of work as planned and has not identified any material control issues.

Governance Statement (continued)

Review of effectiveness


As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

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


S Covington
Chair of Governors


J Godsall
Accounting Officer

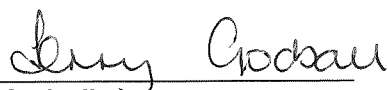
Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Knowle Church of England Primary Academy I have considered my responsibility to notify the academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy Board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 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 Godsall
Accounting Officer
Date:

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Statement of Governors' responsibilities
For the Year Ended 31 August 2022

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

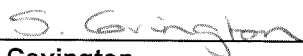
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 5 December 2022 and signed on its behalf by:


S Covington
(Chair of Governors)

Independent Auditors' Report on the financial statements to the Members of Knowle Church of England Primary Academy

Opinion

We have audited the financial statements of Knowle Church of England Primary Academy (the 'academy') 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 academy'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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditors' Report on the financial statements to the Members of Knowle Church of England Primary Academy (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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

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

Independent Auditors' Report on the financial statements to the Members of Knowle Church of England Primary Academy (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:

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

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

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

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Knowle Church of England Primary Academy (continued)

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

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

Use of our report

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

Dains Audit Limited

Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
Dains Audit Limited

Chartered Accountants
Statutory Auditors

Birmingham

5 December 2022

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Knowle Church of England Primary Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 August 2018 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 Knowle Church of England Primary Academy 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 Knowle Church of England Primary Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Knowle Church of England Primary Academy 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 Knowle Church of England Primary Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Knowle Church of England Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Knowle Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 28 March 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 academy's income and expenditure.

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Knowle Church of England Primary Academy 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.

Dains Audit Limited

Dains Audit Limited
Chartered Accountants
Statutory Auditors

Birmingham

Date: *5 December 2022*

Knowle Church of England Primary Academy
(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	3	32,697	21,225	21,258	75,180	38,195
Other trading activities		3,446	-	-	3,446	4,638
Investments	6	59	-	-	59	50
Charitable activities: Funding for the Academy's educational operations		224,224	2,381,079	-	2,605,303	2,406,911
Total income		260,426	2,402,304	21,258	2,683,988	2,449,794
Expenditure on:						
Raising funds		247,212	-	-	247,212	200,308
Charitable activities		-	2,471,259	176,755	2,648,014	2,530,632
Total expenditure		247,212	2,471,259	176,755	2,895,226	2,730,940
Net income/(expenditure)		13,214	(68,955)	(155,497)	(211,238)	(281,146)
Transfers between funds	16	-	(28,052)	28,052	-	-
Net movement in funds before other recognised gains/(losses)		13,214	(97,007)	(127,445)	(211,238)	(281,146)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,728,000	-	1,728,000	(72,000)
Net movement in funds		13,214	1,630,993	(127,445)	1,516,762	(353,146)
Reconciliation of funds:						
Total funds brought forward		201,191	(2,268,000)	5,669,796	3,602,987	3,956,133
Net movement in funds		13,214	1,630,993	(127,445)	1,516,762	(353,146)
Total funds carried forward		214,405	(637,007)	5,542,351	5,119,749	3,602,987

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

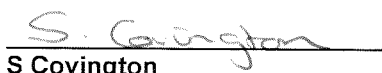
The notes on pages 29 to 56 form part of these financial statements.

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)
Registered number: 08437300

Balance Sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	5,542,351	5,669,796
Current assets			
Debtors	14	51,477	60,836
Cash at bank and in hand		558,862	362,510
		<u>610,339</u>	<u>423,346</u>
Creditors: amounts falling due within one year	15	(279,941)	(222,155)
Net current assets		<u>330,398</u>	<u>201,191</u>
Total assets less current liabilities		<u>5,872,749</u>	<u>5,870,987</u>
Defined benefit pension scheme liability	22	(753,000)	(2,268,000)
Total net assets		<u><u>5,119,749</u></u>	<u><u>3,602,987</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	5,542,351	5,669,796
Restricted income funds	16	115,993	-
		<u>5,658,344</u>	<u>5,669,796</u>
Restricted funds excluding pension asset	16	5,658,344	5,669,796
Pension reserve	16	(753,000)	(2,268,000)
Total restricted funds	16	<u>4,905,344</u>	<u>3,401,796</u>
Unrestricted income funds			
General funds	16	214,405	201,191
Total funds		<u><u>5,119,749</u></u>	<u><u>3,602,987</u></u>

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue on 05 December 2022 and are signed on their behalf, by:


S Covington
 (Chair of Governors)

The notes on pages 29 to 56 form part of these financial statements.

Knowle Church of England Primary Academy
(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	236,101	21,865
Cash flows from investing activities	19	(39,749)	(107,842)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		196,352	(85,977)
Cash and cash equivalents at the beginning of the year		362,510	448,487
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	20, 21	<u>558,862</u>	<u>362,510</u>

The notes on pages 29 to 56 form part of these financial statements

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

Knowle Church of England Primary Academy 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the academy)**

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

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Tangible fixed assets

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

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long Term Leasehold Property	- 2% straight line
Long Term Leasehold Land	- Over period of lease
Furniture and fixtures	- 10% straight line
Computer equipment	- 25% straight line
Catering equipment	- 10% straight line

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

1.7 Interest receivable

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

1.8 Operating leases

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

1.9 Debtors

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

1.10 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.

1.11 Liabilities

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

1. Accounting policies (continued)

1.12 Provisions

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

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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.

1.14 Taxation

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

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

1. Accounting policies (continued)

1.15 Pensions

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

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

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

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

1.16 Fund accounting

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

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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 judgment:

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

Notes to the Financial Statements
For the Year Ended 31 August 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Trip income	32,597	-	-	32,597
Capital grants	-	-	9,502	9,502
Other donations	100	21,225	11,756	33,081
Government grants	-	-	-	-
Total 2022	32,697	21,225	21,258	75,180

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Trip income	6,862	-	-	6,862
Capital grants	-	-	9,535	9,535
Other donations	3,978	7,820	-	11,798
Government grants	-	-	10,000	10,000
Total 2021	10,840	7,820	19,535	38,195

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

4. Funding for the academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational Operations			
DfE/ESFA grants			
General annual grant (GAG)	-	1,830,840	1,830,840
Other DfE/ESFA grants			
Pupil premium	-	63,965	63,965
Rates funding	-	7,578	7,578
PE sports grant	-	19,870	19,870
Universal infant free school meals grant	-	73,374	73,374
Teachers pay and pension grant	-	10,283	10,283
Supplementary grant	-	31,111	31,111
	-	2,037,021	2,037,021
Other Government grants			
Nursery funding	-	209,453	209,453
SEN funding	-	49,973	49,973
	-	259,426	259,426
Other income from the academy's educational operations	224,224	78,687	302,911
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	5,945	5,945
	-	5,945	5,945
	224,224	2,381,079	2,605,303
Total 2022	224,224	2,381,079	2,605,303

4. Funding for the academy's charitable activities (continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Educational Operations			
DfE/ESFA grants			
General annual grant (GAG)	-	1,672,500	1,672,500
Other DfE/ESFA grants			
Pupil premium	-	64,976	64,976
Rates funding	-	6,850	6,850
PE sports grant	-	19,880	19,880
Universal infant free school meals grant	-	72,920	72,920
Teachers pay and pension grant	-	89,956	89,956
	-	1,927,082	1,927,082
Other Government grants			
Nursery funding	-	174,712	174,712
SEN income	-	39,843	39,843
	-	214,555	214,555
Other income from the academy's educational operations	176,343	35,454	211,797
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	35,040	35,040
Coronavirus Job Retention Scheme grant	-	18,437	18,437
	-	53,477	53,477
	176,343	2,230,568	2,406,911
Total 2021	176,343	2,230,568	2,406,911

During the year, the academy received £5,945 (2021 - £35,040) relating to COVID-19 catch up premium. Expenditure matching this amount was spent in the year. Also during the year, the academy received £Nil (2021 - £18,437) in relation to COVID-19 job retention scheme. Expenditure matching this was spent in the year.

Knowle Church of England Primary Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	2,018	2,018
Photo commission	1,428	1,428
Total 2022	3,446	3,446

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	3,200	3,200
Photo commission	1,438	1,438
Total 2021	4,638	4,638

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest receivable	59	59

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest receivable	50	50

Notes to the Financial Statements
For the Year Ended 31 August 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising voluntary income:				
Direct costs	232,271	-	14,941	247,212
Academy's educational operations:				
Direct costs	1,685,208	114,424	276,464	2,076,096
Support costs	244,206	90,590	237,122	571,918
Total 2022	2,161,685	205,014	528,527	2,895,226
	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising voluntary income:				
Direct costs	191,998	-	8,310	200,308
Academy's educational operations:				
Direct costs	1,687,246	112,799	224,442	2,024,487
Support costs	240,941	91,821	173,383	506,145
Total 2021	2,120,185	204,620	406,135	2,730,940

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 £
Educational operations	2,076,096	571,918	2,648,014

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	2,024,487	506,145	2,530,632

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	39,000	32,000
Staff costs	1,707,215	1,687,246
Depreciation	114,424	112,861
Educational supplies	47,394	47,762
Technology costs	10,464	14,147
Educational consultancy	15,234	12,616
Supply teacher insurance	-	325
Catering	142,365	117,530
	2,076,096	2,024,487

Knowle Church of England Primary Academy
(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 £
Staff costs	244,206	240,941
Depreciation	62,331	60,962
Staff development	12,214	5,926
Technology costs	27,600	25,573
Other support costs	69,718	23,563
Recruitment and support	1,064	387
Maintenance of premises	17,112	19,632
Maintenance of equipment	4,017	2,112
Cleaning	11,147	11,606
Photocopying	13,410	13,277
Rates	12,842	(1,516)
Water rates	7,217	11,179
Energy	23,244	21,797
Insurance	23,975	27,607
Other occupancy costs	28,780	28,725
Governance costs	13,041	14,374
	571,918	506,145
	571,918	506,145

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	4,212	4,212
Depreciation of tangible fixed assets	176,755	173,024
Fees paid to auditors for:		
- audit	7,500	6,750
- other services	1,700	1,600
	7,500	6,750
	176,755	173,024

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	1,483,373	1,437,965
Social security costs	127,129	124,369
Pension costs	536,722	502,398
	<u>2,147,224</u>	<u>2,064,732</u>
Agency staff costs	36,468	55,453
	<u>2,183,692</u>	<u>2,120,185</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	22	21
Administrative and support	34	33
Management	4	4
Extended services	12	10
	<u>72</u>	<u>68</u>

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 £80,001 - £90,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £290,842 (2021 - £319,779).

Notes to the Financial Statements
For the Year Ended 31 August 2022

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£000's	£000's
J Godsall	Remuneration	85 - 90	85 - 90
	Pension contributions paid	0 - 5	20 - 25
H Fulker (resigned as a Trustee 05/12/2021)	Remuneration	10 - 15	35 - 40
	Pension contributions paid	0 - 5	10 - 15
C Harris	Remuneration	15 - 20	5 - 10
	Pension contributions paid	0 - 5	0 - 5

During the year no Governor received any benefits in kind (2021 - £NIL)

During the year ended 31 August 2022, no Governor expenses have been incurred (2021 - £NIL).

12. Trustees' and Officers' insurance

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

Notes to the Financial Statements
For the Year Ended 31 August 2022

13. Tangible fixed assets

	Longterm leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Catering equipment £	Total £
Cost or valuation					
At 1 September 2021	6,429,447	391,944	138,766	74,700	7,034,857
Additions	40,532	2,418	6,360	-	49,310
At 31 August 2022	<u>6,469,979</u>	<u>394,362</u>	<u>145,126</u>	<u>74,700</u>	<u>7,084,167</u>
Depreciation					
At 1 September 2021	921,316	277,869	103,003	62,873	1,365,061
Charge for the year	114,424	39,249	15,612	7,470	176,755
At 31 August 2022	<u>1,035,740</u>	<u>317,118</u>	<u>118,615</u>	<u>70,343</u>	<u>1,541,816</u>
Net book value					
At 31 August 2022	<u>5,434,239</u>	<u>77,244</u>	<u>26,511</u>	<u>4,357</u>	<u>5,542,351</u>
At 31 August 2021	<u>5,508,131</u>	<u>114,075</u>	<u>35,763</u>	<u>11,827</u>	<u>5,669,796</u>

14. Debtors

	2022 £	2021 £
Due within one year		
VAT repayable	16,182	17,769
Other debtors	513	352
Prepayments and accrued income	34,782	42,715
	<u>51,477</u>	<u>60,836</u>

Notes to the Financial Statements
For the Year Ended 31 August 2022

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	92,649	62,340
Other taxation and social security	29,660	29,441
Other creditors	33,477	38,025
Accruals and deferred income	124,155	92,349
	<u>279,941</u>	<u>222,155</u>
	2022 £	2021 £
Deferred income at 1 September 2021	56,015	50,961
Resources deferred during the year	63,353	56,015
Amounts released from previous periods	(56,015)	(50,961)
	<u>63,353</u>	<u>56,015</u>

Included within deferred income are monies received in advance from the ESFA for free school meals and income received in advance for before and after school clubs.

Knowle Church of England Primary Academy
(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	201,191	260,426	(247,212)	-	-	214,405
Restricted funds						
General Annual Grant (GAG)	-	1,830,840	(1,686,795)	(28,052)	-	115,993
Universal infant free school meal	-	73,374	(73,374)	-	-	-
Pupil premium	-	63,965	(63,965)	-	-	-
Other DfE/ESFA and government grants	-	334,213	(334,213)	-	-	-
Other restricted income	-	26,418	(26,418)	-	-	-
Catering income	-	73,494	(73,494)	-	-	-
Pension reserve	(2,268,000)	-	(213,000)	-	1,728,000	(753,000)
	(2,268,000)	2,402,304	(2,471,259)	(28,052)	1,728,000	(637,007)
Restricted fixed asset funds						
Assets funded from GAG	150,564	-	(45,807)	-	-	104,757
Assets inherited on conversion	5,252,906	-	(114,949)	28,052	-	5,166,009
Devolved capital grant	43,401	9,502	(1,333)	-	-	51,570
Donations for capital assets & donated assets	41,143	11,756	(12,080)	-	-	40,819
Capital maintenance fund	102,347	-	(398)	-	-	101,949
Local authority capital funding	79,435	-	(2,188)	-	-	77,247
	5,669,796	21,258	(176,755)	28,052	-	5,542,351
Total Restricted funds	3,401,796	2,423,562	(2,648,014)	-	1,728,000	4,905,344
Total funds	3,602,987	2,683,988	(2,895,226)	-	1,728,000	5,119,749

16. Statement of funds (continued)

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

Unrestricted funds

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

Restricted general fund

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

Pension reserve

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

Restricted fixed asset fund

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

Transfers between funds

Transfers include the transfer of GAG and general funds to fund capital purchases.

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

Knowle Church of England Primary Academy
(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	271,509	191,871	(203,758)	(58,431)	-	201,191
Restricted funds						
General Annual Grant (GAG)	5,432	1,672,500	(1,628,471)	(49,461)	-	-
Universal infant free school meal	-	72,920	(72,920)	-	-	-
Pupil premium	-	64,976	(64,976)	-	-	-
Other DfE/ESFA and government grants	-	384,718	(384,718)	-	-	-
Other restricted income	-	10,693	(10,693)	-	-	-
Catering income	-	32,581	(32,581)	-	-	-
Pension reserve	(2,037,000)	-	(159,000)	-	(72,000)	(2,268,000)
	(2,031,568)	2,238,388	(2,353,359)	(49,461)	(72,000)	(2,268,000)
Restricted fixed asset funds						
Assets funded from GAG	46,245	-	(3,573)	107,892	-	150,564
Assets inherited on conversion	5,303,166	-	(50,260)	-	-	5,252,906
Devolved capital grant	52,046	9,535	(18,180)	-	-	43,401
Donations for capital assets & donated assets	56,016	10,000	(24,873)	-	-	41,143
Capital maintenance fund	166,691	-	(64,344)	-	-	102,347
Local authority capital funding	92,028	-	(12,593)	-	-	79,435
	5,716,192	19,535	(173,823)	107,892	-	5,669,796
Total Restricted funds	3,684,624	2,257,923	(2,527,182)	58,431	(72,000)	3,401,796
Total funds	3,956,133	2,449,794	(2,730,940)	-	(72,000)	3,602,987

Notes to the Financial Statements
For the Year Ended 31 August 2022

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	-	-	5,542,351	5,542,351
Current assets	214,405	395,934	-	610,339
Creditors due within one year	-	(279,941)	-	(279,941)
Provisions for liabilities and charges	-	(753,000)	-	(753,000)
Total	214,405	(637,007)	5,542,351	5,119,749

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	-	-	5,669,796	5,669,796
Current assets	201,926	214,860	6,560	423,346
Creditors due within one year	(735)	(214,860)	(6,560)	(222,155)
Provisions for liabilities and charges	-	(2,268,000)	-	(2,268,000)
Total	201,191	(2,268,000)	5,669,796	3,602,987

Notes to the Financial Statements
For the Year Ended 31 August 2022

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)	(211,238)	(281,146)
Adjustments for:		
Depreciation	176,755	173,823
Capital grants from DfE and other capital income	(9,502)	(19,535)
Interest receivable	(59)	(50)
Defined benefit pension scheme cost less contributions payable	213,000	159,000
Decrease in debtors	9,359	37,130
Increase/(decrease) in creditors	57,786	(47,357)
Net cash provided by operating activities	236,101	21,865

19. Cash flows from investing activities

	2022 £	2021 £
Interest receivable	59	50
Purchase of tangible fixed assets	(49,310)	(127,427)
Capital grants from DfE Group	9,502	9,535
Capital funding received from sponsors and others	-	10,000
Net cash used in investing activities	(39,749)	(107,842)

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	558,862	362,510

Notes to the Financial Statements
For the Year Ended 31 August 2022

21. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	362,510	196,352	558,862
	<u>362,510</u>	<u>196,352</u>	<u>558,862</u>

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands 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.

Contributions amounting to £33,749 were payable to the schemes at 31 August 2022 (2021 - £36,898) and are included within creditors.

Teachers' Pension Scheme

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

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

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 £208,000 (2021 - £204,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £208,000 (2021 - £206,000), of which employer's contributions totalled £174,000 (2021 - £172,000) and employees' contributions totalled £ 34,000 (2021 - £34,000). The agreed contribution rates for future years are 22.2 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 academy, 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 academy 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.

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	4.20	3.90
Rate of increase for pensions in payment/inflation	3.20	2.90
Discount rate for scheme liabilities	4.25	1.65

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	21.2	21.6
Females	23.6	24.0
Retiring in 20 years		
Males	22.9	23.4
Females	25.4	25.8

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(62)	(100)
Discount rate -0.1%	62	102
Salary increase rate +0.1%	9	12
Salary increase rate -0.1%	(9)	(12)
Pension increase rate +0.1%	54	89
Pension increase rate -0.1%	(87)	(87)

Share of scheme assets

Notes to the Financial Statements
For the Year Ended 31 August 2022

22. Pension commitments (continued)

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,609,000	1,406,000
Gilts	-	191,000
Other bonds	504,000	141,000
Property	192,000	162,000
Cash	96,000	85,000
Other	-	323,000
Total market value of assets	<u>2,401,000</u>	<u>2,308,000</u>

The actual return on scheme assets was £-150,000 (2021 - £336,000).

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

	2022 £	2021 £
Current service cost	(348,000)	(299,000)
Net interest cost	(39,000)	(32,000)
Total amount recognised in the Statement of Financial Activities	<u>(387,000)</u>	<u>(331,000)</u>

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

	2022 £	2021 £
At 1 September	4,576,000	3,867,000
Current service cost	348,000	299,000
Interest cost	78,000	62,000
Employee contributions	34,000	34,000
Actuarial (gains)/losses	(1,839,000)	378,000
Benefits paid	(42,000)	(64,000)
At 31 August	<u>3,155,000</u>	<u>4,576,000</u>

Notes to the Financial Statements
For the Year Ended 31 August 2022

22. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	2,308,000	1,830,000
Interest income	39,000	30,000
Actuarial (losses)/gains	(111,000)	306,000
Employer contributions	174,000	172,000
Benefits paid	34,000	34,000
Actuarial losses	(42,000)	(64,000)
At 31 August	2,402,000	2,308,000

23. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	4,212	4,212
Later than 1 year and not later than 5 years	9,477	-
	13,689	4,212

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 academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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 academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the trust made purchases of £297 (2021 - £1,665) from a company which a trustee has a directorship. At the balance sheet date £Nil (2021 - £698) was owed to the company.