

Company registration number 09118770 (England and Wales)

THE SMALLWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE SMALLWOOD ACADEMY TRUST

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THE SMALLWOOD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

T Manson (Resigned 06/10/22)
I Borthwick
L Barber (Resigned 30/09/22)
Rev A Naylor (Appointed 06/10/22)
T Pear (Appointed 28/03/23) Chair from 18/07/23
I Lewis
Corporate Member Chester Diocese Board of Education

Trustees

M Caird
H Canham (Vice Chair)
Rev A Naylor
T Manson (Resigned 6 October 2022)
A Rayner
I Lewis (Accounting Officer)
H Hall
N Holt (Appointed 17 February 2023)
O Lofthouse (Appointed 28 March 2023)
T Pear (Chair) (Appointed 28 March 2023)

Senior management team

- CEO/Accounting Officer/Headteacher	I Lewis
- Deputy Headteacher	K Carr
- School Business Manager/CFO	L Turner
- SEND Coordinator (SENCO)	J Priest

Company secretary

Ms L Turner

Company registration number

09118770 (England and Wales)

Principal and registered office

Smallwood C of E Primary School
School Lane
Smallwood
Sandbach
Cheshire
CW11 2UR

Independent auditor

Mitchell Charlesworth (Audit) Limited
24 Nicholas Street
Chester
CH1 2AU

Bankers

Lloyds Bank plc
13 Victoria Street
Crewe
Cheshire
CW1 2JQ

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Smallwood is a village primary school that has grown rapidly over the last ten years but strives to maintain the small school feel of family and community. The majority of children who attend our school come from a wide radius surrounding the school with around 60% of our children travelling from outside catchment area. As a result, we feed into between 6 and 8 different secondary school providers from both the state and private sectors. Children come from a range of socio-economic backgrounds with many professional families with high aspirations for their children.

Emotional and mental wellbeing is hugely important as we have many children who were impacted by the Covid-19 pandemic and are showing increased anxiety. We also need to ensure that our pupil premium families are provided with lots of support and opportunities as the experience gap can be very wide and this can have an impact on friendships, achievement and wellbeing. Our PAN of 25 means that data can be easily skewed in year groups where we have a higher proportion of SEND.

We have a full-time nursery on site, run by a private provider who also offers wrap around care for all school pupils; currently 70%+ of our pupils make use of this facility. The quality of provision in the nursery and wrap around care is consistently good.

The school has seen considerable change since the last inspection with a new leadership team in place and several new directors. Leaders have focused on improving the quality of the curriculum to ensure it is broad and balanced whilst remaining challenging. We are a rural school and this is an important aspect of school life which is reflected through our forest school curriculum, eco schools, gardening and the chickens we keep. Pupils are encouraged to embrace and respect their environment and community. At Smallwood, we strive to provide opportunities to allow each individual to find their spark; staff are committed to enriching and broadening the curriculum.

We have a passionate drive to provide the best education for all children. We believe that challenging children and providing opportunities and experiences in a rich learning environment motivates and encourages high quality learning. We believe that developing an exciting learning community where all stakeholders are welcomed, involved and valued is fundamental. Smallwood instils the love of learning into all who enter its doors; with God, Church and Faith at the centre of its values. Our faith and beliefs permeate everything that we do at Smallwood and is evident in how we interact with each other, how we behave and our overarching philosophy.

In a world that is changing so rapidly, our role as educators becomes both more challenging and more important. If we are to equip our children for the 21st century we must give them the communication, thinking and creative skills to be adaptive and enquiring learners. We must personalise the learning environment, teach children how to think and learn creatively and enable children to explore the options that the world offers and find where they can achieve and enjoy future success.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Our Missions Statement, Vision and Values

"Let your light shine before others, that they may see your good deeds and glorify your Father in heaven."

[Matthew 5:16](#)

Our Mission Statement

"Let Your Light Shine"

Our Vision

Smallwood C of E Primary Academy instils the love of learning into all who enter through its doors, with our Christian faith at the heart of everything that we do.

Through a happy, secure, and stimulating environment, we aim to enable every pupil to SHINE in a rapidly changing world and to realise their full potential in life.

Skills

Hope

Inclusion

Nurture

Excellence

Our Values

Ready

Kind

Respectful

Safe

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Cheshire close to the market town of Sandbach. It has a pupil capacity of 175 and had a roll of 181 in the school census in October 2023.

Structure, governance and management

Constitution

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

The charitable company operates as Smallwood C of E Primary Academy.

The trustees of The Smallwood Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

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.

Trustees' indemnities

The academy trust has purchased the RPA insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring while on academy trust business. The insurance provides cover up to £2,000,000 on any one claim.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Method of recruitment and appointment or election of trustees

Trustees are elected through two methods. Firstly, parent trustees are invited to apply for any vacancies. Interested parties are sent out an information pack and if more than one application is received for a single vacancy a parental vote is taken. The second method of recruitment occurs when the board see a need for a particular type of skill set and co-opt a suitable applicant.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. All new trustees complete the statutory training of safeguarding and prevent the courses are provided with relevant documentation to help them fulfil their role. Trustees also have access to the Key and Governor hub training. As well as this the trustees complete a key skills matrix and training will be provided for any areas which identify gaps in their experience.

Organisational structure

The Academy has three levels of management: Members, Trustees/Directors and the Senior Management Team.

There are currently five Members. Members play a limited but crucial role in safeguarding academy trust governance. While they must ensure they do not stray into undertaking the Academy Trustees' role, they should assure themselves that the governance of the trust is effective, that Academy Trustees are acting in accordance with the trust's charitable object(s) and that they, the Members, use their powers to step in if governance is failing.

There are nine Trustees/Directors and they meet a minimum of six times a year together with the Senior Management Team. Each individual has specific areas of expertise that can be applied when discussing general school policy such as the annual school development plan, budget, special needs provision, etc. The Board of Trustees/Directors have delegated some of its functions to committees;

Teaching and Learning
Faith and Ethos
Pay Committee
Finance, Estates and Audit

The Senior Management Team includes the Headteacher, Deputy Head Teacher, SENCO and the School Business Manager/CFO. They meet on a weekly basis to discuss curriculum related issues and any issues arising with regards to the children in its care.

The Head teacher is also the Chief Executive Office of the Trust and the School Business Manager is the Trust's Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The teaching staff pay policy has been developed to comply with current legislation and the requirements of the "school teachers' pay and conditions document". Annual appraisals take place during the autumn term which can potentially lead to incremental rises. The non-teaching pay policy acts in much the same way with incremental rises following annual appraisals and is structured to follow the NJC pay and conditions structure as laid out by Unison.

Trade Union Officials

The Trust has no relevant Trade Union Officials.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Related parties and other connected charities and organisations

The Smallwood Academy Trust is a member of the Congleton Education Community Partnership (CECP). A termly fee is paid based on pupil numbers which then allows the group to buy services such as play therapy, health and wellbeing, early years, sports, SEND and so forth at a reduced rate should it wish to do so. The group also applies for grants such as heritage funding that then allows the schools to take part in joint activities.

The Chair is also the Chair of Castle Primary School who are a part of the Learning Alliance and is the Director of Reliance Medical.

5 Trustees and 1 member have children who attend the school and our Vicar is Chair of Astbury St Marys School who are in Chester Diocesan Academies Trust (CDAT).

Objectives and activities

Objects and aims

The school has been focusing on becoming OFSTED Outstanding, embedding a new curriculum and looking at the possibility of becoming a part of, or leading a new Multi Academy Trust.

We have been working on the following for the period ending 31 August 2023.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

<p>Strengthen leadership and management by:</p> <p>Ensuring that governors link the information they gather about the school more closely to the school's identified priorities.</p> <p>Ensuring that new middle leaders have sufficient opportunities to collect information about their subjects and identify current priorities.</p> <p>Providing pupils with more opportunities to develop their broader understanding of other cultures.</p>	<p>Directors have been appointed with a wide range of skills to ensure that all areas are covered. Weekly updates are sent by the Headteacher to all directors and the number of monitoring visits have increased and written reports are produced. All staff are responsible for at least one subject/area and a link director has been assigned. There is a schedule of visits that is produced by the Vice-Chair. Termly full board meetings are in place along with termly sub-committee meetings of; Teaching and Learning, Faith and Ethos and Finance and Audit.</p> <p>We have implemented a whole new curriculum and have a number of staff who are new to the school thus many of our middle leaders are in the early stages of leading their subjects. Staff training has focused on subject leadership and release time has been scheduled for every subject leader to work alongside our curriculum lead as well as to collect information about their subject via monitoring. All staff have identified current priorities for their subject/s within individual action plans.</p> <p>A new curriculum, No Outsiders curriculum introduced, PSHE carefully mapped out, new RE curriculum where children learn about other cultures, faiths and religions as well as Christianity.</p>
<p>Strengthen teaching and improve progress in writing by:</p> <p>Providing more challenge for the most able writers.</p> <p>Raising teachers' expectations of pupils' writing in other subjects across the curriculum.</p>	<p>As part of our drive to improve standards in writing, we have implemented a synthetic phonics programme (Ready Steady Phonics), invested in Accelerated Reader and follow the Literacy Counts Read to Write programme. The literacy units are tied in closely with our topic drivers (Geography and History) and quality texts are used across school. High quality and engaging texts are read to and with each class with an emphasis on acquiring vocabulary and language from and early age.</p> <p>Writing moderation takes place termly as a whole-school and the Curriculum/English leads has attended writing moderation with the local authority and within a cluster of schools.</p>
<p>Strengthen the provision in the early years by:</p> <p>Ensuring that children's progress in mathematics is as strong as the progress they make in reading and writing.</p>	<p>Since the last inspection, the Covid-19 pandemic had an impact on the ability to invest in addressing all issues. However, the school follows the White Rose Maths scheme from EYFS through to Year 6, giving it full fidelity and ensuring children are stretched and challenged.</p> <p>In comparison to 2021/2022 progress scores in Mathematics, the 2022/2023 progress scores have improved significantly and are in-line with Reading and Writing.</p>

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, strategies and activities

Our MAT Vision

We are currently meeting with several schools in the local area to start the process of forming a growth strategy for a Multi Academy Trust.

The business function of the school has brought significant improvements to the school this year.

- We have installed brand new interactive touchscreen boards in every classroom.
- We have installed the trim trail in partnership with our PTFA.
- We have created a new larger classroom.
- Purchased new laptops for the children to learn on.
- Created a new library space in partnership with our PTFA.

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

National Assessment Overview 2023

EYFS

	Not Met	Met
Good Level of Development	4/24 = 16.7%	20/24 = 83.3%

Year 1 Phonics Assessment

Number of Children: 25

2023 Year 1 phonics test average score = 35 (34.96)

2022 Year 1 phonics test average score = 33.6

<32	33	34	35	36	37	38	39	40
4	2		4		2	5	1	7

2023	2023 National Average	2022 National Average	2022	2022 National Average	2021 (Year 2 in December)	2019	2019 National Average
84%	79.5%	75.5%	81.5%	75%	90.9%	94%	82%

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Year 2

Subject	Expected +					National 2022
	2023	2022	2021 School (Voluntary Collection)	2019 School	2018 School	
Reading	61%	73.9%	78%	93%	83%	67%
Writing	61%	81.8%	61%	86%	88%	58%
Maths	68%	82.6%	74%	82%	83%	68%

Year 4 MTC Results

	2023	2023 National	2022	2022 National
Average Score	15.3	19.8	15.9	19.8

Year 6 Results

	Expected +						Greater Depth				
	2023	2022	2021	2019	Cheshire East 2023	National 2023	2023	2022	2019	Cheshire East 2023	National 2023
Reading	87.1%	71.4%	80%	92%	75%	73%	32.3%	16%	40%	32%	29%
Writing	87.1%	59.1%	76%	92%	73%	71%	6.5%	12%	20%	9%	13%
SPAG	83.8%	81%	72%	96%	76%	72%	32.3%	16%	44%	32%	30%
Maths	80.6%	71.4%	72%	92%	75%	73%	22.6%	14.3%	28%	26%	24%
Combined RWM	74%	43%			61%	59%	3%			6%	8%

Average Scores

Subject	School 2023	National 2023	School 2022	National 2022	School 2019	National 2019
Reading	106.3	105	102	105	108.5	104
Maths	104.9	104	102.7	104	107.6	105
SPAG	105.9	105	105	105	108	106

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Trust's income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year and the associated expenditure are shown as restricted funds in the statements of financial activities. The principal accounting policies adopted during the year are detailed in the notes to the financial statements.

During the year ended 31 August 2023, total expenditure of £1,108,354 (2022: £1,131,317) was not quite covered by grant funding from the DfE together with other incoming resources. The excess of expenditure over income (excluding actuarial losses on the defined benefit pension scheme) was £23,448 (2022: £247,798).

As at the 31st August 2023, the net book value of fixed assets was £4,622,979 (2022: £4,695,316), including the value of the land and building which are lease on a 125-year lease. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

Reserves policy

The academy seeks to have 1 month's overheads in general restricted and unrestricted reserves. Reserves at 31 August 2023 would cover 1 month of salaries only. The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. These reserves are reviewed regularly during the year by the finance committee. The board of trustees has adopted a cautious policy of building up reserves over many years, to provide for a contingency in future years.

The Trust has overall reserves of £4,644,695 (2022: £4,606,142), included within is restricted general reserves (excluding pension & fixed asset reserves) of £8,292 (2022: £nil) and unrestricted reserves of £52,089 (2022: £2,826). The total free reserves (excluding pension & fixed asset reserves) amounts to £60,381 (2022: £2,826).

The pension scheme liability as at 31st August 2023 was £45,000 (2022: £92,000). The vast majority of the movement of the pension scheme liability is due to actuarial assumptions and does not have a direct cash impact.

Investment policy

Apart from the cash held for the operation of the school there are no realisable investments. However Smallwood C of E Primary Academy has a current account with Lloyds Bank on which it receives a small amount of interest.

Principal risks and uncertainties

The principal risks facing the academy are:-

Reputation risk - mitigated by continual highly effective education and being a small village Church school.

Performance risk - mitigated by continued high quality expertise of the staff of the academy and the strong leadership of the Head Teacher.

Financial risk - there are a number of financial risks such as a reduction in pupil numbers, reduction in central government funding, unbudgeted increases in staffing costs or unbudgeted major capital repairs.

Through careful planning financial risk is kept to a minimum as the board of trustees have adopted a cautious policy of building up reserves over many years, to provide for a contingency in future years.

Consideration has been given to ensure the Trust's estate is safe, well maintained and complies with the relevant regulations.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

The Academy Trust does not use any external fundraisers. The school undertakes a variety of fundraising activities to support several charities and the Trust itself. All fundraising undertaken during the year was monitored by the Trustees.

Streamlined energy and carbon reporting

As the Trust has not consumed more than 40,000 kWh of energy in this reporting period and is not deemed a large company, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

Directors have met as a working party looking at the growth strategy of the wider trust. They are exploring options for growth.

The school will be embedding the new curriculum.

The school is looking at enhancing all computer software to cloud based systems.

Purchasing more laptops for pupils.

Fundraising for all weather surfaces for the playgrounds.

Enhancing the building security and safeguarding.

Funds held as custodian trustee on behalf of others

The Trust does not hold any fund as custodian for others.

Auditor

Insofar as the trustees are aware:

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

Mitchell Charlesworth (Audit) Limited was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21/12/2023 and signed on its behalf by:



.....

T Pear

Chair

THE SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher/CEO 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 The Smallwood Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
M Caird	4	5
H Canham (Vice Chair)	5	5
Rev A Naylor	5	5
T Manson (Resigned 6 October 2022)	1	1
A Rayner	5	5
I Lewis (Accounting Officer)	5	5
H Hall	5	5
N Holt (Appointed 17 February 2023)	2	2
O Lofthouse (Appointed 28 March 2023)	2	2
T Pear (Chair) (Appointed 28 March 2023)	1	2

Smallwood has seen some changes with its Directors. Tim Manson, the previous Chair stepped down as Chair in November 2021. Anne-Marie Naylor took over as interim Chair and we then recruited our new Chair Thomas Pear in July 2023. Helen Canham continued to be the Vice Chair throughout the changes. We now have a full complement of Directors with a wide range of public and private experience. Our Board receive bi-monthly financial reports, assess the Trusts overall performance, formulate strategy planning and receive reports from various sub-committees.

Conflicts of interest

The school maintain an update-to-date register of interests, and it is reviewed regularly by the CFO to identify conflicts of interest and ensure all purchases are assessed against the Academy Trust Handbook regulations.

Meetings

The Directors meet 6 times a year, although only 5 formal meetings are shown. They meet every half term. The first half term consists of all the detailed information at committee levels and the second half term is for the ratification and approval agenda items put forward.

THE SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Audit, Finance & Building Committee is a sub-committee of the main Board of Trustees.

Purpose of this committee

Smallwood C of E Primary Academy (the Trust) is constituted as a Multi Academies Trust (MAT). The Academies Financial Handbook advises that: every MAT must have in place a process for independent checking of financial controls, systems, transactions and risks and ideally this process should be driven by an Audit and Finance Committee (A&FC) appointed by the Trust Board (MATB). This document sets out the main responsibilities and terms of reference for the Trust's A&FC.

Core Purpose of the A&FC

The A&FC must review the risks to internal financial control at the Trust and must agree a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

Membership: The A&FC will consist of four members from the Trust Board. Additionally up to two external co-opted members may also be appointed. At least one of the members should have relevant financial experience.

Chair: The Chair of the A&FC shall be appointed by the Trust Board at the start of the academic year or as required. The Chair of the A&FC will not be a member of any other sub-committee.

Quorum: The A&FC will be quorate if two members are present and more than 50% of those members present are members of the Trust Board.

Meetings: The A&FC will normally meet at least once per term and not less than twice per year.

Agendas: The Clerk shall circulate an agenda for each meeting, together with any supporting papers, at least one week in advance of the meeting. Minutes of meetings will be taken and will be submitted to the Trust Board after being approved in draft by the Chair of the A&FC.

Decisions:

Decisions may be taken only by Members of the A&FC. Each question shall be determined by a majority of the votes of the Members present and voting on the question. Every Member shall have one vote. Where necessary, the Chair will have a second or casting vote. The Chief Financial Officer/School Business Manager and other members of the Trust Board may be invited to attend the A&FC but will have no voting rights.

THE SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Duties

- The A&FC will consider matters relating to internal control and auditors. In particular the A&FC will:
 - advise the Trust Board on the adequacy and effectiveness of its systems of internal control and arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money);
 - review the statement on internal control and make appropriate recommendations to the Trust Board;
 - advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external and internal auditors);
 - review the external auditor's annual planning document and approve the planned audit approach;
 - ensure effective coordination of the work of the external auditor and internal auditor;
 - ensure that any additional services undertaken by the auditors is compatible with audit independence and objectivity;
 - agree the work programme of internal audit including the checking of financial controls, systems, transactions and risks;
 - consider the reports of the auditors and, when appropriate, advise the Trust Board of material controls issues;
 - monitor the implementation of agreed audit recommendations;
 - ensure that any allegations of fraud or irregularity are appropriately investigated and control weaknesses addressed;
 - meet with the external auditor and internal auditor at least once per year; and
 - report its findings annually to the Trust Board.

Authority

- The A&FC is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires to discharge its duties from any other Committee of the Trust Board and/or employee of the Trust. Trust employees are directed to cooperate with any reasonable request made by the A&FC.
- The A&FC is delegated financial authority by the Trust Board for non-routine revenue expenditure of up to £6,000 pa.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
H Canham (Vice Chair)	1	3
A Rayner	2	3
I Lewis (Accounting Officer)	3	3
H Hall	3	3
O Lofthouse (Appointed 28 March 2023)	1	1
T Pear (Chair) (Appointed 28 March 2023)	1	1

Review of value for money

As accounting officer, the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Following our financial procedures, applying tight financial controls and measuring value for money for services via 3 quotes over £3,000. The SBM Networks are attended regularly, sharing best practice and recommending good quality traders.

THE SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Smallwood Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Audit, Finance & Building 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; and
- identification and management of risks.

The Board of Trustees has decided:

- to employ UHY Hacker Young as internal auditor.

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

- testing of income
- testing of budgeting
- testing of ESFA submissions

On a termly basis, the auditor reports to the Board of Trustees through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees. On an annual basis, the auditor prepares a 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 SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of effectiveness

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

- the work of the internal auditor/reviewer;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor; and
- correspondence from ESFA, eg financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Finance Committee and ensures continuous improvement of the system is in place.

Approved by order of the Board of Trustees on ^{21/12/2023}..... and signed on its behalf by:



I Lewis
Accounting Officer



T Pear
Chair

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The Smallwood Academy Trust, I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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.



I Lewis
Accounting Officer

21/12/2023
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THE SMALLWOOD ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The Smallwood Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on ^{21/12/2023}..... and signed on its behalf by:



T Pear
Chair

THE SMALLWOOD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLWOOD ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of The Smallwood Academy Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust'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.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

THE SMALLWOOD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLWOOD ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

THE SMALLWOOD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLWOOD ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance;
- the schools' own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the schools' documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the trust's Statement of Financial Activities, (ii) the trust's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academy Trust Handbook and Accounts Direction 2022-23 issued by the Education and Skills Funding Agency.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

Audit response to risks identified

As a result of performing the above, we identified income recognition, override of controls and adherence to laws and regulations as the key audit matters related to the potential risk of fraud.

THE SMALLWOOD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLWOOD ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

As a result of performing the above, we identified the presentation of the academy's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls we carried out testing of the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Robert Hall (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited

21/12/2023.

Accountants
Statutory Auditor

24 Nicholas Street
Chester
CH1 2AU

THE SMALLWOOD ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SMALLWOOD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 7 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Smallwood Academy Trust during the period 1 September 2022 to 31 August 2023 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 The Smallwood Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Smallwood Academy Trust 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 The Smallwood Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Smallwood Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Smallwood Academy Trust's funding agreement with the Secretary of State for Education dated 28 July 2014 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

THE SMALLWOOD ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SMALLWOOD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Mitchell Charlesworth (Audit) Limited

Dated: 21/12/2023

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	3	12,715	-	18,997	31,712	20,819
Charitable activities:						
- Funding for educational operations	4	-	953,703	-	953,703	800,096
Other trading activities	5	99,483	-	-	99,483	62,594
Investments	6	8	-	-	8	10
Total		<u>112,206</u>	<u>953,703</u>	<u>18,997</u>	<u>1,084,906</u>	<u>883,519</u>
Expenditure on:						
Raising funds	7	2,340	-	-	2,340	4,198
Charitable activities:						
- Educational operations	8	49,998	960,411	95,604	1,106,013	1,127,119
Total	7	<u>52,338</u>	<u>960,411</u>	<u>95,604</u>	<u>1,108,353</u>	<u>1,131,317</u>
Net income/(expenditure)		59,868	(6,708)	(76,607)	(23,447)	(247,798)
Transfers between funds	17	(10,605)	-	10,605	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	62,000	-	62,000	506,000
Net movement in funds		49,263	55,292	(66,002)	38,553	258,202
Reconciliation of funds						
Total funds brought forward		<u>2,826</u>	<u>(92,000)</u>	<u>4,695,316</u>	<u>4,606,142</u>	<u>4,347,940</u>
Total funds carried forward		<u>52,089</u>	<u>(36,708)</u>	<u>4,629,314</u>	<u>4,644,695</u>	<u>4,606,142</u>

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2022 £
Income and endowments from:					
Donations and capital grants	3	4,283	-	16,536	20,819
Charitable activities:					
- Funding for educational operations	4	-	800,096	-	800,096
Other trading activities	5	62,594	-	-	62,594
Investments	6	10	-	-	10
Total		66,887	800,096	16,536	883,519
Expenditure on:					
Raising funds	7	4,198	-	-	4,198
Charitable activities:					
- Educational operations	8	70,221	960,183	96,715	1,127,119
Total	7	74,419	960,183	96,715	1,131,317
Net expenditure		(7,532)	(160,087)	(80,179)	(247,798)
Transfers between funds	17	(75,085)	77,087	(2,002)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	506,000	-	506,000
Net movement in funds		(82,617)	423,000	(82,181)	258,202
Reconciliation of funds					
Total funds brought forward		85,443	(515,000)	4,777,497	4,347,940
Total funds carried forward		2,826	(92,000)	4,695,316	4,606,142

THE SMALLWOOD ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		4,622,979		4,695,316
Current assets					
Stock	13	-		784	
Debtors	14	25,204		38,907	
Cash at bank and in hand		122,231		49,696	
			147,435		89,387
Current liabilities					
Creditors: amounts falling due within one year	15	(80,719)		(86,561)	
Net current assets			66,716		2,826
Net assets excluding pension liability			4,689,695		4,698,142
Defined benefit pension scheme liability	19		(45,000)		(92,000)
Total net assets			4,644,695		4,606,142
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			4,629,314		4,695,316
- Restricted income funds			8,292		-
- Pension reserve			(45,000)		(92,000)
Total restricted funds			4,592,606		4,603,316
Unrestricted income funds	17		52,089		2,826
Total funds			4,644,695		4,606,142

The accounts on pages 24 to 46 were approved by the trustees and authorised for issue on 21/12/2023 and are signed on their behalf by:



.....

T Pear

Chair

Company registration number 09118770 (England and Wales)

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		76,797		(103,952)
Cash flows from investing activities					
Dividends, interest and rents from investments		8		10	
Capital grants from DfE Group		18,997		16,536	
Purchase of tangible fixed assets		(23,267)		(14,534)	
Net cash (used in)/provided by investing activities			(4,262)		2,012
Net increase/(decrease) in cash and cash equivalents in the reporting period			72,535		(101,940)
Cash and cash equivalents at beginning of the year			49,696		151,636
Cash and cash equivalents at end of the year			122,231		49,696

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are in £.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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 that require 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, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Leasehold Land and building	Over 125 years
Computer equipment	33.3% per annum straight line basis
Fixtures, fittings & equipment	15% per annum reducing balance basis

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.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

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

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.13 Provisions

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact on 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees consider there are no critical areas of judgement relevant to the academy.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	18,997	18,997	16,536
Other donations	12,715	-	12,715	4,283
	<u>12,715</u>	<u>18,997</u>	<u>31,712</u>	<u>20,819</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	757,471	757,471	675,191
Other DfE/ESFA grants:				
- Pupil premium	-	29,828	29,828	-
- Others	-	53,499	53,499	83,744
	-----	-----	-----	-----
	-	840,798	840,798	758,935
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	78,761	78,761	41,161
Special educational projects	-	32,114	32,114	-
	-----	-----	-----	-----
	-	110,875	110,875	41,161
	=====	=====	=====	=====
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	2,030	2,030	-
	-----	-----	-----	-----
Total funding	-	953,703	953,703	800,096
	=====	=====	=====	=====

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	8,497	-	8,497	7,269
Catering income	27,217	-	27,217	19,753
Other income	63,769	-	63,769	35,572
	-----	-----	-----	-----
	99,483	-	99,483	62,594
	=====	=====	=====	=====

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	8	-	8	10
	=====	=====	=====	=====

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2023	2022
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	2,340	2,340	4,198
Academy's educational operations					
- Direct costs	561,730	71,703	77,256	710,689	690,588
- Allocated support costs	149,706	86,513	159,105	395,324	436,531
	<u>711,436</u>	<u>158,216</u>	<u>238,701</u>	<u>1,108,353</u>	<u>1,131,317</u>

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Depreciation of tangible fixed assets	95,604	96,715
Fees payable to auditor for:		
- Audit	4,995	4,795
- Other services	2,100	1,855
Net interest on defined benefit pension liability	5,000	9,000
	<u>107,704</u>	<u>112,375</u>

8 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2023	2022
	£	£	£	£
Direct costs				
Educational operations	49,998	660,691	710,689	690,588
Support costs				
Educational operations	-	395,324	395,324	436,531
	<u>49,998</u>	<u>1,056,015</u>	<u>1,106,013</u>	<u>1,127,119</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities	(Continued)	
	2023	2022
	£	£
Analysis of support costs		
Support staff costs	149,706	172,044
Depreciation	23,901	24,179
Technology costs	17,476	9,100
Premises costs	62,612	73,728
Legal costs - other	17,225	29,305
Other support costs	115,732	120,975
Governance costs	8,672	7,200
	<u>395,324</u>	<u>436,531</u>
	<u><u>395,324</u></u>	<u><u>436,531</u></u>
9 Staff		
Staff costs		
Staff costs during the year were:		
	2023	2022
	£	£
Wages and salaries	499,879	479,567
Social security costs	45,067	44,804
Pension costs	117,226	185,935
	<u>662,172</u>	<u>710,306</u>
Staff costs - employees	662,172	710,306
Agency staff costs	33,697	11,291
Staff restructuring costs	15,567	30,000
	<u>711,436</u>	<u>751,597</u>
Staff development and other staff costs	4,729	3,547
	<u>716,165</u>	<u>755,144</u>
	<u><u>716,165</u></u>	<u><u>755,144</u></u>
Staff restructuring costs comprise:		
Severance payments	15,567	30,000
	<u>15,567</u>	<u>30,000</u>
	<u><u>15,567</u></u>	<u><u>30,000</u></u>

Severance payments

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1
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THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Special staff severance payments

Included in staff restructuring costs are special severance payments totaling £7,784 (2022: £30,000).

Individually, the payment was for £7,784 to one member of staff.

Staff numbers

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

	2023 Number	2022 Number
Teachers	9	7
Administration and support	17	21
Management	1	1
	—	—
	27	29
	==	==

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £244,675 (2022: £109,080).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

I Lewis (Head Teacher & Trustee)

Remuneration £55,000 - £60,000 (2022: £50,000 - £55,000)

Employer's pension contributions paid £10,000 - £15,000 (2022: £10,000 - £15,000)

During the year, no trustees received any reimbursement of expenses (2022: £nil).

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2023 was £3,486 (2022: £2,916). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold Land and building £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2022	4,547,535	134,130	990,700	5,672,365
Additions	-	12,662	10,605	23,267
At 31 August 2023	<u>4,547,535</u>	<u>146,792</u>	<u>1,001,305</u>	<u>5,695,632</u>
Depreciation				
At 1 September 2022	170,280	94,059	712,710	977,049
Charge for the year	28,380	24,822	42,402	95,604
At 31 August 2023	<u>198,660</u>	<u>118,881</u>	<u>755,112</u>	<u>1,072,653</u>
Net book value				
At 31 August 2023	<u>4,348,875</u>	<u>27,911</u>	<u>246,193</u>	<u>4,622,979</u>
At 31 August 2022	<u>4,377,255</u>	<u>40,071</u>	<u>277,990</u>	<u>4,695,316</u>

Land and buildings have been included in the financial statements at a value of £4,000,000 based on the deemed valuation by insurance. The legal title to land and buildings is held by Chester Diocesan Education Association, the Academy utilises the asset under a licence agreement and has done since its conversion to an academy on 4 July 2017.

Subsequent land and building improvements have been included at cost.

13 Stock

	2023 £	2022 £
School uniform	-	784

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Debtors

	2023	2022
	£	£
Trade debtors	4,908	1,080
Other debtors	10,011	22,779
Prepayments and accrued income	10,285	15,048
	<u>25,204</u>	<u>38,907</u>

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	27,926	25,178
Other taxation and social security	21,726	-
Other creditors	-	23,665
Accruals and deferred income	31,067	37,718
	<u>80,719</u>	<u>86,561</u>

16 Deferred income

	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	18,648	18,968
	<u>18,648</u>	<u>18,968</u>
Deferred income at 1 September 2022	18,968	19,990
Released from previous years	(18,968)	(19,990)
Resources deferred in the year	18,648	18,968
	<u>18,648</u>	<u>18,968</u>
Deferred income at 31 August 2023	<u>18,648</u>	<u>18,968</u>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM funding of £18,648 (2022: £17,096 of UIFSM funding and £1,872 of pupil premium funding).

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	-	757,471	(749,179)	-	8,292
Pupil premium	-	29,828	(29,828)	-	-
Other DfE/ESFA COVID-19 funding	-	2,030	(2,030)	-	-
Other DfE/ESFA grants	-	53,499	(53,499)	-	-
Other government grants	-	110,875	(110,875)	-	-
Pension reserve	(92,000)	-	(15,000)	62,000	(45,000)
	<u>(92,000)</u>	<u>953,703</u>	<u>(960,411)</u>	<u>62,000</u>	<u>(36,708)</u>
Restricted fixed asset funds					
Inherited on conversion	4,587,932	-	(62,406)	-	4,525,526
DfE group capital grants	102,333	18,997	(31,883)	-	89,447
Capital expenditure from unrestricted funds	5,051	-	(1,315)	10,605	14,341
	<u>4,695,316</u>	<u>18,997</u>	<u>(95,604)</u>	<u>10,605</u>	<u>4,629,314</u>
Total restricted funds	<u>4,603,316</u>	<u>972,700</u>	<u>(1,056,015)</u>	<u>72,605</u>	<u>4,592,606</u>
Unrestricted funds					
General funds	2,826	112,206	(52,338)	(10,605)	52,089
	<u>2,826</u>	<u>112,206</u>	<u>(52,338)</u>	<u>(10,605)</u>	<u>52,089</u>
Total funds	<u>4,606,142</u>	<u>1,084,906</u>	<u>(1,108,353)</u>	<u>62,000</u>	<u>4,644,695</u>

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

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 funders where the asset acquired or created is held for a specific purpose.

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

The academy trust is not subject to GAG carried forward limits.

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds (Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	675,191	(752,278)	77,087	-
Other DfE/ESFA grants	-	83,744	(83,744)	-	-
Other government grants	-	41,161	(41,161)	-	-
Pension reserve	(515,000)	-	(83,000)	506,000	(92,000)
	<u>(515,000)</u>	<u>800,096</u>	<u>(960,183)</u>	<u>583,087</u>	<u>(92,000)</u>
Restricted fixed asset funds					
Inherited on conversion	4,683,084	-	(95,152)	-	4,587,932
DfE group capital grants	86,133	16,536	(336)	-	102,333
Capital expenditure from unrestricted funds	8,280	-	(1,227)	(2,002)	5,051
	<u>4,777,497</u>	<u>16,536</u>	<u>(96,715)</u>	<u>(2,002)</u>	<u>4,695,316</u>
Total restricted funds	<u>4,262,497</u>	<u>816,632</u>	<u>(1,056,898)</u>	<u>581,085</u>	<u>4,603,316</u>
Unrestricted funds					
General funds	85,443	66,887	(74,419)	(75,085)	2,826
	<u>85,443</u>	<u>66,887</u>	<u>(74,419)</u>	<u>(75,085)</u>	<u>2,826</u>
Total funds	<u>4,347,940</u>	<u>883,519</u>	<u>(1,131,317)</u>	<u>506,000</u>	<u>4,606,142</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	4,622,979	4,622,979
Current assets	52,089	69,147	26,199	147,435
Current liabilities	-	(60,855)	(19,864)	(80,719)
Pension scheme liability	-	(45,000)	-	(45,000)
	<u>52,089</u>	<u>(36,708)</u>	<u>4,629,314</u>	<u>4,644,695</u>
Total net assets	<u>52,089</u>	<u>(36,708)</u>	<u>4,629,314</u>	<u>4,644,695</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	4,695,316	4,695,316
Current assets	89,387	-	-	89,387
Current liabilities	(86,561)	-	-	(86,561)
Pension scheme liability	-	(92,000)	-	(92,000)
Total net assets	2,826	(92,000)	4,695,316	4,606,142

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire Pensions. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £12,186 were payable to the schemes at 31 August 2023 (2022: £12,237) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £74,829 (2022: £73,874).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21% for employers and 5.5-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023	2022
	£	£
Employer's contributions	42,000	38,000
Employees' contributions	10,000	10,000
	<u> </u>	<u> </u>
Total contributions	52,000	48,000
	<u> </u>	<u> </u>
Principal actuarial assumptions	2023	2022
	%	%
Rate of increase in salaries	3.70	3.75
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
	<u> </u>	<u> </u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

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

	2023	2022
	Years	Years
Retiring today		
- Males	20.1	21.2
- Females	24.4	23.8
Retiring in 20 years		
- Males	20.9	22.1
- Females	25.6	25.5
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023	2022
0.1% decrease in Real Discount Rate	14,000	16,000
1 year increase in member life expectancy	24,000	25,000
0.1% increase in the Pension Increase Rate	14,000	16,000
0.1% increase in the Salary Increase Rate	-	-
	<u> </u>	<u> </u>

Defined benefit pension scheme net liability

	2023	2022
	£	£
Scheme assets	547,000	530,000
Scheme obligations	(592,000)	(622,000)
	<u> </u>	<u> </u>
Net liability	(45,000)	(92,000)
	<u> </u>	<u> </u>

The academy trust's share of the assets in the scheme

	2023	2022
	Fair value	Fair value
	£	£
Equities	284,000	259,700
Bonds	181,000	169,600
Cash	5,000	31,800
Property	77,000	68,900
	<u> </u>	<u> </u>
Total market value of assets	547,000	530,000
	<u> </u>	<u> </u>

The actual return on scheme assets was £(25,000) (2022: £(41,000)).

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations	(Continued)	
Amount recognised in the statement of financial activities	2023	2022
	£	£
Current service cost	52,000	112,000
Interest income	(23,000)	(9,000)
Interest cost	28,000	18,000
	<hr/>	<hr/>
Total operating charge	57,000	121,000
	<hr/> <hr/>	<hr/> <hr/>
Changes in the present value of defined benefit obligations	2023	2022
	£	£
At 1 September 2022	622,000	1,046,000
Current service cost	52,000	112,000
Interest cost	28,000	18,000
Employee contributions	10,000	10,000
Actuarial gain	(110,000)	(556,000)
Benefits paid	(10,000)	(8,000)
	<hr/>	<hr/>
At 31 August 2023	592,000	622,000
	<hr/> <hr/>	<hr/> <hr/>
Changes in the fair value of the academy trust's share of scheme assets	2023	2022
	£	£
At 1 September 2022	530,000	531,000
Interest income	23,000	9,000
Actuarial loss	(48,000)	(50,000)
Employer contributions	42,000	38,000
Employee contributions	10,000	10,000
Benefits paid	(10,000)	(8,000)
	<hr/>	<hr/>
At 31 August 2023	547,000	530,000
	<hr/> <hr/>	<hr/> <hr/>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(23,447)	(247,798)
Adjusted for:			
Capital grants from DfE and other capital income		(18,997)	(16,536)
Investment income receivable	6	(8)	(10)
Defined benefit pension costs less contributions payable	19	10,000	74,000
Defined benefit pension scheme finance cost	19	5,000	9,000
Depreciation of tangible fixed assets		95,604	96,715
Decrease in stocks		784	237
Decrease/(increase) in debtors		13,703	(24,458)
(Decrease)/increase in creditors		(5,842)	4,898
Net cash provided by/(used in) operating activities		<u>76,797</u>	<u>(103,952)</u>

21 Analysis of changes in net funds

	1 September 2022 £	Cash flows 31 August 2023 £	£
Cash	49,696	72,535	122,231
	<u>49,696</u>	<u>72,535</u>	<u>122,231</u>

22 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	4,236	4,236
Amounts due in two and five years	2,295	6,531
	<u>6,531</u>	<u>10,767</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

The following related party transactions took place in the period of account, along with certain trustees' remuneration and expenses already disclosed in note 10.

During the year the school paid fees of £3,129 (2022: £4,888) to the Congleton Education Community Partnership in which the school is a member and the Head Teacher is a director.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.