

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 2022**

THE SMALLWOOD ACADEMY TRUST

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THE SMALLWOOD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

T Manson (Resigned 06/10/2022)
I Borthwick
L Barber (Resigned 30/09/2022)
Rev A Naylor (Appointed 06/10/2022)
Corporate Member Chester Diocese Board of Education

Trustees

M Caird
H Canham
Rev A Naylor (Acting Chair)
J Wagstaffe (Resigned 14 July 2022)
T Manson (Former Chair) (Resigned 6 October 2022)
H Parkinson-Sykes (Resigned 31 July 2022)
D Strudley (Resigned 7 February 2022)
A Rayner
I Lewis (Head teacher)
H Hall (Appointed 26 April 2022)

Senior management team

- Head Teacher I Lewis
- Business Manager L Turner (Appointed 1 November 2021)

Company registration number

09118770 (England and Wales)

Principal and registered office

Smallwood Church of England Primary School
School Lane
Smallwood
Sandbach
Cheshire
CW11 2UR

Independent auditor

Jackson Stephen LLP
James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

Bankers

Lloyds Bank plc
13 Victoria Street
Crewe
Cheshire
CW1 2JQ

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

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 166 in the school census in October 2021.

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; we have very little ethnic diversity. Emotional and mental wellbeing is hugely important as we have many families with high expectations and children who lead pressured lives with every moment timetabled. 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 has a big impact on friendships, achievement and wellbeing. We have a reputation for supporting children; as a result we attract many special needs and looked after children. Our PAN of 25 means that data can be easily skewed in year groups where we have a higher proportion of SEN. 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.

We are a school founded in the Christian faith and we ensure that our ethos permeates all aspects of school life. At the heart of our school is the Smallwood torch and the values that spread out from it shape our curriculum, school life and principles.

Our logo of a torch, reminds us that we walk in the light of Christ and our goal is to reflect the glory of his name.

We achieve this through our TORCH values:

Together Others Resilience Challenge Hope

The school is a nurturing environment where each child receives the personalised attention that they need to enable them to shine and to fulfil our mission

...let your light shine before others, that they may see your good deeds and glorify your Father in heaven. Matthew 5:16

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.

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.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trustees' indemnities

The academy trust has purchased 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.

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 are encouraged to attend a child protection course and are provided with relevant documentation to help them fulfil their role. Throughout the year Cheshire East Council runs a number of training courses for directors which are all forwarded by email to them and they are encouraged to participate. Trustees also have access to the Key and Governor hub training.

Organisational structure

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

There are currently three 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 six 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 provisions etc. The Board of Trustees/Directors have delegated some of its functions to committees:

- Teaching and Learning
- Faith and Ethos
- Pay Committee
- Finance and Audit

The Senior Management Team includes the Headteacher, Deputy Head Teacher, SENCO and School Business Manager. 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.

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 SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, strategies and activities

The school was inspected in March 2019 and received a Good. The key areas identified for development were:

1. Strengthen leadership and management by:
 - ensuring that directors link the information they gather about the school more closely to the school's identified priorities
 - ensuring that new middle leaders have sufficient opportunities to collect information about their subjects and identify current priorities
 - providing pupils with more opportunities to develop their broader understanding of other cultures.
2. Strengthen teaching and improve progress in writing by:
 - providing more challenge for the most able writers
 - raising teachers' expectations of pupils' writing in other subjects across the curriculum

In addition, the school needs to strengthen spelling in Key Stage 2. A full audit of how we deliver phonics, the transition into Key Stage 2 and the teaching of handwriting needs to take place. Once this is done, an investigation into how we then need to change and whether we need to invest in a programme will be undertaken.

3. Strengthen the provision in the early years by:
 - ensuring that children's progress in mathematics is as strong as the progress they make in reading and writing.

Public benefit

The trustees confirm that they have complied with the duty in Section 175(c) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning future activities.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Key performance indicators

Due to the impact of COVID, no formal testing took place in the year. However, the school carried out the usual end of key stage assessment and took part in the local authorities voluntary assessment collection. This data was analysed and returned to schools. Last year's results are as follows:

Subject	Expected +				
	2022	2021 School (Voluntary Collection)	2019 School	2018 School	National 2019
Reading	73.9%	78%	93%	83%	75%
Writing	81.8%	61%	86%	88%	69%
Maths	82.6%	74%	82%	83%	76%

	Expected +						Greater Depth			
	2022	2021	2019	2018	2017	National 2022	2022	2019	2018	2017
Reading	71.4%	80%	92%	85%	75%	74%	16%	40%	50%	25%
Writing	59.1%	76%	92%	85%	75%	69%	12%	20%	15%	5%
SPAG	81%	72%	96%	85%	75%	78%	16%	44%	40%	40%
Maths	71.4%	72%	92%	85%	80%	71%	14.3%	28%	45%	35%

6 out of the 23 children have joined us since Key Stage 1 SATs with 2 of those 4 years severely interrupted. Of these, 1 has an EHCP (who joined us in Year 4, just before March 2020 lockdown) and 2 have EHCP applications pending. 1 other has a SSP. 3 of the 6 children have joined us in the last 12-18 months.

1 child did not take the SATs assessments due to a tragic family bereavement the previous week.

1 child has an EHCP and not accessing the national curriculum.

Due to class closures and home learning, learning has been severely disrupted. EYFS has seen a significant impact due to Covid-19 with 4/5 year olds finding it very difficult to engage for any length of time with online learning. Predictions for the Academic year of 2022/2023 are much improved with the expectation that at least 80% will achieve GLD.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

At Smallwood we provide children with an excellent education rooted in the school's Christian values and focused on enabling each child to find a joy in learning and achieve their very best. We are proud of our rural community where children learn to embrace and respect the environment they live in at a community, local, national and worldwide level. Children are guided to see that their actions, no matter how small, can make a difference and they are encouraged to take responsibility, be advocates and help to make the world a better place. This is the vehicle that drives our whole school curriculum planning. We believe in using breadth and richness of opportunity to develop pupils' skills and support them in achieving across all areas of the curriculum. Our school's curriculum has been put together carefully in consultation with the children, staff and governors of the school. It is designed to be exciting and challenging for all learners, regardless of their abilities or backgrounds, and to provide all children with the knowledge and skills they need to enable them to strive for excellence and shine.

Our aim is to enable children not only to learn and recall information but also to apply it effectively in different situations. Forest school, chess, musical instrument lessons and performing arts are combined with practical opportunities within lessons to provide opportunities to consolidate skills and apply them across a range of contexts. Developing a joy of reading and books is fundamental within our curriculum as it supports pupils in building vocabulary, knowledge schemas and ideas.

The curriculum is adapted to meet the needs of children with SEND and is aimed at being as inclusive as possible so that all children feel engaged and supported to access the learning in a way that meets their individual needs. All Children are encouraged to become independent learners with the confidence and strategies to express their thoughts and opinions effectively.

The teachers are encouraged to use their own creativity, the interests of the children in their class and the learning potential of the locality to plan exciting cross-curricular themes to meet the children's needs. Where a curriculum subject does not fit into a theme it will be blocked within a book theme unit or taught as a standalone unit. Our priority is quality learning that enables pupils to build effective knowledge schema. Learning is linked in with the National Curriculum expectations to ensure progression across year groups through a sequence of learning with an appropriate level of challenge for each year group.

The learning environment forms a key part of our school curriculum and is used effectively to support the learning in each topic. Through well-planned, stimulating activities, the children acquire a strong skills base upon which their learning can develop. Teachers make excellent use of visits to local areas of interest as well as inviting visitors into the classroom to provide enrichment and immersion in the topics taught.

Teachers have a good awareness of each child's needs and tailor their learning accordingly. There is good use of questioning and opportunities for speaking and listening through discussion, paired/group work, role-play etc. Teachers make good use of their strong subject knowledge and are encouraged to be reflective and through our school ethos and culture, continually seek ways to improve and develop their practice. Monitoring takes place each term, observing lessons, talking to children and looking at their books to ensure there is consistency of expectations, challenge and progression across the school. Feedback is a vital component in scaffolding and developing children's learning. Immediate verbal feedback within a lesson is the most effective form of marking work and enabling pupils to understand next steps. Written marking is also valuable and teachers follow the school marking code. Our key focus is that staff should select the most effective form of feedback to ensure maximum impact on pupil learning.

Learning walks and lesson observations show that the quality of teaching in all classes is good or better, this includes lessons provided by peripatetic staff and sports coaches.

Phonics is taught discretely in class on a daily basis in the EYFS and KS1 with a new scheme, Ready Steady Phonics, in place from September 2022. In addition, spelling is taught daily in KS2. SPaG is taught as an integral part of literacy lessons with discrete teaching used to consolidate skills as needed.

Children with SEND are well supported through targeted use of resources such as teaching assistants in class and intervention programmes are tailored to suit children's needs. Where additional support from other agencies is required, parents are fully involved in this process from the beginning. Multi-agency meetings may be held to establish a programme for how the school and outside agencies can best support a child with particular needs - see the school's SEND policy and local offer, for further details. The school prides itself on the level of support given to children who are vulnerable for whatever reason and we work closely with parents to make sure all children are well supported and provided with a wide range of opportunities. As a result of this outstanding support, children who receive Pupil Premium funding make at least comparable progress with their peers in English and Maths, with some outperforming their peers.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Smallwood staff are focused on nurturing each individual child and in particular supporting any emotional or wellbeing needs. Weekly staff briefings and lunchtime supervisor meetings ensure that any child who is experiencing difficulties is identified and cross school support is put in place. The school makes regular use of Play therapy, Counselling and ELSA trained staff to create programs to support individuals and groups when needed. As a result our emotionally vulnerable pupils continue to succeed well in class, early interventions result in fewer pupils needing SEMH provision.

The wide range of topics studied across the school provides children with the detailed knowledge and skills needed to succeed and prepares them well for their future learning. Our learners are engaged with their topics and work hard to develop their knowledge through their enthusiastic approach to school. They enjoy applying their learning across the broad range of opportunities the school provides.

Pupils are keen to take on positions of responsibility and make good use of the opportunities provided in school, such as being a buddy, play leader or a member of the Eco or Worship councils. This contributes to the development of well-rounded and confident learners who are well-prepared for the next stage of their education.

The school's approach to learning ensures that children experience a wide range of enriching activities. As a result of this, children are learning to apply their key skills to other areas of the curriculum.

The school enables children to make an outstanding contribution to the community at a local, national and international level, this is a core aspect of our school values and is developed across all aspects of school life including; the celebration of Christian festivals across the year in partnership with the Church, through projects led by the Eco and School councils, gardening club activities and events, choir and orchestra performances, and charity events.

The school works closely with the Coppice Pre-school, which is based on the school site, to ensure there is smooth transition from Pre-school to Reception. Coppice children increasingly join in with school activities as they get closer to Reception age to familiarise them with the school environment; events such as assembly, special projects and visitors are shared with school and a regular transition program of visits takes place. The school works with the local Secondary schools and ensures that a smooth transition is planned for each pupil, coordinating the many different transition processes can be very complex and requires careful curriculum planning. However the success of the process can be seen from the very positive comments we receive regarding how well our pupils are prepared for Secondary life.

The vast majority of children make excellent progress and learn well. Children are tracked closely and the attainment of every child in the school is discussed at termly Pupil Progress Meetings. Successes are highlighted and used to share good practice as well as any identified barriers to progress. Children who are making less than expected progress are then discussed further with plans put in place to support them e.g. parent meetings, intervention, 1-1 tutoring and/or additional classroom support or small group work. Intervention is closely tracked to ensure maximum impact and cost effectiveness.

Clear assessment procedures have been implemented by the school to track children's attainment and progress through the curriculum. Teachers meet regularly to moderate their assessments and share the children's outcomes. Pupil progress meetings are a core part of our assessment cycle and follow on from our assessment points across the year, these are used to support and challenge teaching and learning and provision map effectively. Data is shared termly with the governing body and discussed/scrutinised at Director Meetings.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

GAG Income Indicators

The Trust received GAG income of £675,191 and had a total of 166 pupils at the start of the school year it therefore received £4,067 per pupil. The Trust total income of £883,519 raises the income per pupil figure to £5,322 per pupil. Expressed as percentages roughly 76.4% of pupil income comes directly from the GAG payment with an additional 23.6% (£208,328) of the total annual budget coming from other sources such as other government grants, rental income for Coppice, Pupil Premium, Sports Grant and other small donations.

Staff cost Indicators

The School had 2 upper pay grade teachers and 5 main pay scale teachers putting the overall ratio of staff to pupils as 19:1 although class numbers do vary with the smallest class being 19. The School also employs a head teacher, a number of teaching assistants, office staff, caretaker and cleaning staff. The overall staff expenditure including employer national insurance contributions and pension costs is £666,306 with an additional £11,291 cost during 2021/22 for supply teachers and £3,547 for other staff costs. The total cost of £681,144 works out at £4,103 per pupil and is roughly 65.8% of our total expenditure figure (excluding depreciation) for the year of £1,034,602.

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

As noted above the schools income has decreased by £52k to £884k (2021: £936k). Costs excluding depreciation have increased by £95k to £1,034k (2021: £939k).

Reserves policy

The academy seeks to have 1 month's overheads in general restricted and unrestricted reserves. 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.

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.

THE SMALLWOOD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

Some of our other School Development Plan priorities are:

- One class per group with 180+ on roll
- Introduction of new curriculum.
- Revise Science curriculum to reflect the class per year group structure.
- To increase quality of I.T teaching and curriculum breadth.
- Introduce and implement new phonics scheme and books
- Introduce and embed use of Star Reading and Accelerated Reader from Years 2 to Year 6
- To continue to raise standards in writing by developing the quality of teaching and learning with a specific focus on reading, vocabulary and spelling.
- To raise standards in maths and increase the pupils working at greater depth.
- to review and embed new financial procedures and policies that adhere to the Academies Financial Handbook.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Jackson Stephen LLP be reappointed as auditor of the charitable company 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 15 December 2022 and signed on its behalf by:



Anne-Marie Naylor (Dec 16, 2022 15:27 GMT)

Rev A Naylor (Acting Chair)

THE SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

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.

The board of trustees has delegated the day-to-day responsibility to the head teacher, 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. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 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	2	7
H Canham	7	7
Rev A Naylor (Acting Chair)	4	7
J Wagstaffe (Resigned 14 July 2022)	3	7
T Manson (Former Chair) (Resigned 6 October 2022)	7	7
H Parkinson-Sykes (Resigned 31 July 2022)	6	7
D Strudley (Resigned 7 February 2022)	2	4
A Rayner	5	5
I Lewis (Head teacher)	7	7
H Hall (Appointed 26 April 2022)	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 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 where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring all staff are subject to performance management, carry out their duties effectively and have opportunities for professional development upskilling.
- Administrative staff who complete orders and purchases routinely compare prices from different suppliers to achieve best value for money.
- Professional development opportunities have focussed on making best use of expertise within the school.

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 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

THE SMALLWOOD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to re-appoint Devon Audit Partnership as internal auditor. They have performed one review in the year, the findings of which are being taken forward by the trustees.

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

- review of Governance, Accounting and Financial Control
- review of anti-fraud
- testing of purchasing and payments
- testing of salaries and expenses

The Internal Reviewer would immediately report to the board of trustees any areas of concern found.

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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the trustees within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 15 December 2022 and signed on its behalf by:


Anne-Marie Naylor (Dec 16, 2022 15:27 GMT)

Rev A Naylor (Acting Chair)

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

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 received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 2021.

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

Iestyn Lewis

Iestyn Lewis (Dec 16, 2022 14:30 GMT)

I Lewis (Head teacher)
Accounting Officer

15 December 2022

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 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 2021 to 2022;
- 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 15 December 2022 and signed on its behalf by:


Anne-Marie Naylor (Dec 16, 2022 15:27 GMT)

Rev A Naylor (Acting Chair)

THE SMALLWOOD ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of The Smallwood Academy Trust for the year ended 31 August 2022 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 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2021 to 2022.

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.

THE SMALLWOOD ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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.

Based on our understanding of the academy and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, the Charities Act 2011, employment, pension and health and safety legislation and regulation through the Secretary of State for Education as principal regulator, acting through the Education and Skills Funding Agency and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities' Statement of Recommended Practice and the Academies Financial Handbook.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements and from the risk of fraud in revenue recognition.

THE SMALLWOOD ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims, their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- 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 regulatory correspondence with the Secretary of State for Education;
- obtaining an understanding of provisions; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating 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.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <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.



Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP

16/12/2022
.....

Chartered Accountants
Statutory Auditor

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

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 2022

In accordance with the terms of our engagement letter dated 23 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Smallwood Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 1 August 2014 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the systems in place that govern income, purchases and payroll
- Substantive testing of the income and expenditure of the academy, including credit/charge cards and expenses
- Analytical review
- Obtaining evidence relevant to the regularity and propriety of the academy's income and expenditure

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 2022

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Jackson Stepler LLP

Reporting Accountant

Jackson Stephen LLP

16/12/2022

Dated:

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	4,283	-	16,536	20,819	58,684
Charitable activities:						
- Funding for educational operations	4	-	800,096	-	800,096	782,780
Other trading activities	5	62,594	-	-	62,594	94,424
Investments	6	10	-	-	10	14
Total		<u>66,887</u>	<u>800,096</u>	<u>16,536</u>	<u>883,519</u>	<u>935,902</u>
Expenditure on:						
Raising funds	7	4,198	-	-	4,198	4,751
Charitable activities:						
- Educational operations	8	70,221	960,183	96,715	1,127,119	1,032,595
Total	7	<u>74,419</u>	<u>960,183</u>	<u>96,715</u>	<u>1,131,317</u>	<u>1,037,346</u>
Net expenditure		(7,532)	(160,087)	(80,179)	(247,798)	(101,444)
Transfers between funds	17	(75,085)	77,087	(2,002)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	506,000	-	506,000	(129,000)
Net movement in funds		<u>(82,617)</u>	<u>423,000</u>	<u>(82,181)</u>	<u>258,202</u>	<u>(230,444)</u>
Reconciliation of funds						
Total funds brought forward		<u>85,443</u>	<u>(515,000)</u>	<u>4,777,497</u>	<u>4,347,940</u>	<u>4,578,384</u>
Total funds carried forward		<u>2,826</u>	<u>(92,000)</u>	<u>4,695,316</u>	<u>4,606,142</u>	<u>4,347,940</u>

THE SMALLWOOD ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2021 £
Income and endowments from:					
Donations and capital grants	3	655	-	58,029	58,684
Charitable activities:					
- Funding for educational operations	4	-	782,780	-	782,780
Other trading activities	5	94,424	-	-	94,424
Investments	6	14	-	-	14
Total		<u>95,093</u>	<u>782,780</u>	<u>58,029</u>	<u>935,902</u>
Expenditure on:					
Raising funds	7	4,751	-	-	4,751
Charitable activities:					
- Educational operations	8	30,467	904,146	97,982	1,032,595
Total	7	<u>35,218</u>	<u>904,146</u>	<u>97,982</u>	<u>1,037,346</u>
Net income/(expenditure)		59,875	(121,366)	(39,953)	(101,444)
Transfers between funds	17	(48,629)	56,251	(7,622)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(129,000)	-	(129,000)
Net movement in funds		11,246	(194,115)	(47,575)	(230,444)
Reconciliation of funds					
Total funds brought forward		74,197	(320,885)	4,825,072	4,578,384
Total funds carried forward		<u>85,443</u>	<u>(515,000)</u>	<u>4,777,497</u>	<u>4,347,940</u>

THE SMALLWOOD ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	12		4,695,316		4,777,497
Current assets					
Stocks	13	784		1,021	
Debtors	14	38,907		14,449	
Cash at bank and in hand		49,696		151,636	
		<u>89,387</u>		<u>167,106</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(86,561)		(81,663)	
		<u></u>		<u></u>	
Net current assets			2,826		85,443
Net assets excluding pension liability			4,698,142		4,862,940
Defined benefit pension scheme liability	19		(92,000)		(515,000)
			<u></u>		<u></u>
Total net assets			4,606,142		4,347,940
			<u><u></u></u>		<u><u></u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			4,695,316		4,777,497
- Pension reserve			(92,000)		(515,000)
			<u></u>		<u></u>
Total restricted funds			4,603,316		4,262,497
Unrestricted income funds	17		2,826		85,443
			<u></u>		<u></u>
Total funds			4,606,142		4,347,940
			<u><u></u></u>		<u><u></u></u>

The accounts on pages 19 to 38 were approved by the trustees and authorised for issue on 15 December 2022 and are signed on their behalf by:


Anne-Marie Naylor (Dec 16, 2022 15:27 GMT)

Rev A Naylor (Acting Chair)

Company registration number 09118770

THE SMALLWOOD ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(103,952)		16,023
Cash flows from investing activities					
Dividends, interest and rents from investments		10		14	
Capital grants from DfE Group		5,755		58,029	
Capital funding received from sponsors and others		10,781		-	
Purchase of tangible fixed assets		(14,534)		(56,252)	
Net cash provided by investing activities			2,012		1,791
Net (decrease)/increase in cash and cash equivalents in the reporting period			(101,940)		17,814
Cash and cash equivalents at beginning of the year			151,636		133,822
Cash and cash equivalents at end of the year			49,696		151,636

THE SMALLWOOD ACADEMY TRUST

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

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Donations

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

Other income

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

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

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 other than freehold land, at rates calculated to write off the cost of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	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.

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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 so as 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 on the basis of quadrennial valuations using a projected unit 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 SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 Group.

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 the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation charge is calculated based on estimates and assumptions on asset useful economic lives and expected residual value.

Critical areas of judgement

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

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	16,536	16,536	58,029
Other donations	4,283	-	4,283	655
	<u>4,283</u>	<u>16,536</u>	<u>20,819</u>	<u>58,684</u>

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	675,191	675,191	656,258
Other DfE/ESFA grants:				
- Others	-	83,744	83,744	99,886
	<u>-</u>	<u>758,935</u>	<u>758,935</u>	<u>756,144</u>
Other government grants				
Local authority grants	-	41,161	41,161	26,636
	<u>-</u>	<u>41,161</u>	<u>41,161</u>	<u>26,636</u>
Total funding	<u>-</u>	<u>800,096</u>	<u>800,096</u>	<u>782,780</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	7,269	-	7,269	7,790
Catering income	19,753	-	19,753	13,552
Other income	35,572	-	35,572	73,082
	<u>62,594</u>	<u>-</u>	<u>62,594</u>	<u>94,424</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	10	-	10	14
	<u>10</u>	<u>-</u>	<u>10</u>	<u>14</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds					
- Direct costs	-	-	4,198	4,198	4,751
Academy's educational operations					
- Direct costs	579,553	-	38,499	618,052	617,014
- Allocated support costs	172,044	170,443	166,580	509,067	415,581
	<u>751,597</u>	<u>170,443</u>	<u>209,277</u>	<u>1,131,317</u>	<u>1,037,346</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	4,795	4,775
- Other services	1,855	1,460
Depreciation of tangible fixed assets	96,715	97,982
Net interest on defined benefit pension liability	9,000	6,000
	<u>9,965</u>	<u>20,222</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	-	618,052	618,052	617,014
Support costs				
Educational operations	70,221	438,846	509,067	415,581
	<u>70,221</u>	<u>1,056,898</u>	<u>1,127,119</u>	<u>1,032,595</u>

	2022 £	2021 £
Analysis of support costs		
Support staff costs	172,044	138,015
Depreciation	96,715	97,982
Technology costs	9,100	5,684
Premises costs	73,728	61,975
Legal costs	29,305	22,711
Other support costs	120,975	82,014
Governance costs	7,200	7,200
	<u>509,067</u>	<u>415,581</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	509,567	500,434
Social security costs	44,804	42,393
Pension costs	185,935	157,872
	<hr/>	<hr/>
Staff costs - employees	740,306	700,699
Agency staff costs	11,291	8,164
	<hr/>	<hr/>
	751,597	708,863
Staff development and other staff costs	3,547	4,340
	<hr/>	<hr/>
Total staff expenditure	755,144	713,203
	<hr/> <hr/>	<hr/> <hr/>

Severance payments

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

	2022	2021
	Number	Number
£25,001 - £50,000	1	-

Special staff severance payments

Including within staff costs are special severance payments totalling £30,000 (2021: £42,183).

Staff numbers

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

	2022	2021
	Number	Number
Teachers	7	8
Administration and support	21	18
Management	1	1
	<hr/>	<hr/>
	29	27
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £109,080 (2021: £160,673).

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 and trustee):

Remuneration £50,000 - £55,000 (2021: £50,000 - £55,000)

Employer's pension contributions paid £10,000 - £15,000 (2021: £10,000 - £15,000)

During the year, no trustees received any reimbursement of expenses (2021: £nil).

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 2022 was included in the total insurance cost of £2,926 (2021: £2,916).

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2021	4,547,535	121,946	988,350	5,657,831
Additions	-	12,184	2,350	14,534
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	4,547,535	134,130	990,700	5,672,365
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2021	141,900	74,509	663,925	880,334
Charge for the year	28,380	19,550	48,785	96,715
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	170,280	94,059	712,710	977,049
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2022	4,377,255	40,071	277,990	4,695,316
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2021	4,405,635	47,437	324,425	4,777,497
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Tangible fixed assets

(Continued)

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 the 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 Stocks

	2022	2021
	£	£
School uniform	784	1,021

14 Debtors

	2022	2021
	£	£
Trade debtors	1,080	1,080
Other debtors	22,779	8,036
Prepayments and accrued income	15,048	5,333
	<u>38,907</u>	<u>14,449</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	25,178	21,772
Other creditors	23,665	22,899
Accruals and deferred income	37,718	36,992
	<u>86,561</u>	<u>81,663</u>

16 Deferred income

	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	18,968	19,990
	<u>18,968</u>	<u>19,990</u>
Deferred income at 1 September 2021	19,990	22,791
Released from previous years	(19,990)	(22,791)
Resources deferred in the year	18,968	19,990
	<u>18,968</u>	<u>19,990</u>
Deferred income at 31 August 2022	<u>18,968</u>	<u>19,990</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Deferred income

(Continued)

At the balance sheet date the academy trust was holding funds received in advance for UIFSM funding of £17,096 (2021: £12,789), pupil premium funding of £1,872 (2021: £2,018) and funding from Cheshire West for SEN of £nil (2021: £5,183).

17 Funds

	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	<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>

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 directors.

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 and include grants from the Education and Skills Funding Agency and Department for Education.

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	656,258	(712,509)	56,251	-
Other DfE/ESFA grants	14,115	99,886	(99,513)	-	-
Other government grants	-	26,636	(41,124)	-	-
Pension reserve	(335,000)	-	(51,000)	(129,000)	(515,000)
	<u>(320,885)</u>	<u>782,780</u>	<u>(904,146)</u>	<u>(72,749)</u>	<u>(515,000)</u>
Restricted fixed asset funds					
Inherited on conversion	4,774,277	-	(91,193)	-	4,683,084
DfE group capital grants	28,687	58,029	(583)	-	86,133
Capital expenditure from GAG	4,763	-	(4,763)	-	-
Capital expenditure from unrestricted funds	17,345	-	(1,443)	(7,622)	8,280
	<u>4,825,072</u>	<u>58,029</u>	<u>(97,982)</u>	<u>(7,622)</u>	<u>4,777,497</u>
Total restricted funds	<u>4,504,187</u>	<u>840,809</u>	<u>(1,002,128)</u>	<u>(80,371)</u>	<u>4,262,497</u>
Unrestricted funds					
General funds	<u>74,197</u>	<u>95,093</u>	<u>(35,218)</u>	<u>(48,629)</u>	<u>85,443</u>
Total funds	<u>4,578,384</u>	<u>935,902</u>	<u>(1,037,346)</u>	<u>(129,000)</u>	<u>4,347,940</u>

18 Analysis of net assets between funds

	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	<u>2,826</u>	<u>(92,000)</u>	<u>4,695,316</u>	<u>4,606,142</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	4,777,497	4,777,497
Current assets	167,106	-	-	167,106
Current liabilities	(81,663)	-	-	(81,663)
Pension scheme liability	-	(515,000)	-	(515,000)
Total net assets	85,443	(515,000)	4,777,497	4,347,940

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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £12,237 (2021: £11,826) were payable to the schemes at 31 August 2022 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £73,874 (2021: £76,128).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.68% for employers and 5.5% to 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.

Total contributions made	2022	2021
	£	£
Employer's contributions	38,000	37,000
Employees' contributions	10,000	10,000
	<hr/>	<hr/>
Total contributions	48,000	47,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	3.75	3.6
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
	<hr/> <hr/>	<hr/> <hr/>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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:

	2022	2021
	Years	Years
Retiring today		
- Males	21.2	21.4
- Females	23.8	22.4
Retiring in 20 years		
- Males	22.1	24.0
- Females	25.5	25.7

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

	2022	2021
	£'000	£'000
Discount rate - 0.1%	16	27
Mortality assumption + 1 year	25	42
CPI rate + 0.1%	16	27

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

	2022	2021
	Fair value	Fair value
	£	£
Equities	259,700	244,260
Bonds	169,600	223,020
Cash	31,800	10,620
Property	68,900	53,100
Total market value of assets	530,000	531,000

The actual return on scheme assets was £(41,000) (2021: £59,000).

Amount recognised in the statement of financial activities

	2022	2021
	£	£
Current service cost	112,000	82,000
Interest income	(9,000)	(8,000)
Interest cost	18,000	14,000
Total operating charge	121,000	88,000

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2022	
		£	
	At 1 September 2021	1,046,000	
	Current service cost	112,000	
	Interest cost	18,000	
	Employee contributions	10,000	
	Actuarial (gain)/loss	(556,000)	
	Benefits paid	(8,000)	
	At 31 August 2022	<u>622,000</u>	
	Changes in the fair value of the academy trust's share of scheme assets	2022	
		£	
	At 1 September 2021	531,000	
	Interest income	9,000	
	Actuarial loss/(gain)	(50,000)	
	Employer contributions	38,000	
	Employee contributions	10,000	
	Benefits paid	(8,000)	
	At 31 August 2022	<u>530,000</u>	
20	Reconciliation of net expenditure to net cash flow from operating activities	2022	2021
		£	£
	Net expenditure for the reporting period (as per the statement of financial activities)	(247,798)	(101,444)
	Adjusted for:		
	Capital grants from DfE and other capital income	(16,536)	(58,029)
	Investment income receivable	6 (10)	(14)
	Defined benefit pension costs less contributions payable	19 74,000	45,000
	Defined benefit pension scheme finance cost	19 9,000	6,000
	Depreciation of tangible fixed assets	96,715	97,982
	Decrease/(increase) in stocks	237	(168)
	(Increase)/decrease in debtors	(24,458)	2,787
	Increase in creditors	4,898	23,909
	Net cash (used in)/provided by operating activities	<u>(103,952)</u>	<u>16,023</u>

THE SMALLWOOD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	151,636	(101,940)	49,696

22 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	4,236	4,236
Amounts due in two and five years	6,531	10,767
	<u>10,767</u>	<u>15,003</u>

23 Related party transactions

Certain trustees' remuneration and expenses already disclosed in note 10.

During the year the school paid fees of £4,888 (2021: £5,564) 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.