

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

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SEVERN VALE SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Tanya Ciriaco Sarah Cockin Susan Hawkins Jane Ireland Ian Pogue
Trustees	Sarah Cockin, Chair of Trustees Richard Johnson, Accounting Officer (Headteacher) Lorraine Adams Emily Axford Adrian Ayland Tryphosa Bennett (resigned 14 December 2022) Matthew Bishop (appointed 5 September 2022) Laura Chambers David Hanson Susan Hawkins Caroline Jones Deborah Jones (appointed 1 September 2022) Rev. Peter Millward Adam Osborne Vania Seymour John Sherratt (appointed 2 March 2023) Julie Williamson Robert Rankin (resigned 13 December 2022)
Company registered number	07705465
Company name	Severn Vale School
Principal and registered office	Severn Vale School School Lane Quedgeley Gloucester Gloucestershire GL4 2PR
Accounting Officer	Mr Richard Johnson, Headteacher
Senior Management Team	Mr Richard Johnson, Headteacher Mr Stefan Horton, Deputy Headteacher Mrs Kirsten Prescott, Deputy Headteacher Mr Simon Ball, Assistant Headteacher Mr Luke Brown, Assistant Headteacher Mr Andrew Connor, Assistant Headteacher Mrs Michell Littlegray, Assistant Headteacher Mr Mark Nichols, Assistant Headteacher Mr Robert Spooner, Assistant Headteacher Mrs Julia Atkinson, School Business Manager

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditors Randall & Payne LLP
Statutory Auditors
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Bankers Lloyds Bank PLC
19 Eastgate Street
Gloucester
GL1 1NU

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report and strategic report under company law.

The Trust operates a secondary academy for pupils aged 11 to 16 in Quedgeley, Gloucester. It has a pupil capacity of 1325 and had a roll of 1361 in the school census in October 2022.

Structure, governance and management

a. Constitution

The Academy Trust was incorporated and opened as an Academy on 14th July 2011 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 Trustees of Severn Vale School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Severn Vale School.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

b. Trustees' liability

Each trustee 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 trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a trustee.

c. Trustees' indemnities

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Academy's Board of Trustees comprises of: 9 Parent Trustees, 0 Local Authority Trustee and 8 Other Trustees appointed by Members.

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

- up to 9 Trustees who are appointed by members.
- up to 0 LA Trustees who are appointed by the Local Authority.
- At least 2 Parent Trustees who are elected by parents of registered pupils at the Academy.

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

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

e. Policies adopted for the induction and training of Trustees

All Trustees access induction training, they are provided with copies of relevant procedures, minutes and other documents that they need to undertake their role.

f. Organisational structure

The Board of Trustees has established a number of sub-committees (Resources; Curriculum and Achievement; Children, Families and Community; and Steering) to review policies and performance of the Academy in all areas.

Every member of the Board of Trustees is encouraged to sit on at least one sub-committee. The Headteacher also attends every sub-committee meeting along with the other members of the Academy's Senior Management Team as appropriate. Reports from each of the sub-committees are received and discussed at every meeting of the full Board of Trustees.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Management Team of the Academy comprises the Headteacher, 2 Deputy Headteachers, 6 Assistant Headteachers and Business Manager. The team controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. As a group the Management team are responsible for the day-to-day operation of the Academy, in particular organising the teaching staff, facilities and students. They are also responsible for authorisation of spending within agreed budgets and the appointment of staff.

The Headteacher is the Accounting Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year other than staff Trustees who receive remuneration as employees and not for their roles as Trustees.

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

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

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

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

Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Academy has strengthened the links with its partner primary schools by forming a partnership entitled the Quedgeley Learning Community (QLC). The vision is clear: QLC believes in working together to provide an outstanding educational experience which benefits young people, parents and an entire community.

This is about more than simply strengthening the primary / secondary transition, although that is clearly an additional benefit. It is about a family of schools saying that only the very best will do, not just for one institution but for an entire community. This has involved:

- shared CPD
- sharing expertise, both within and across phases
- offered enrichment and extension activities, both within and across phases

These activities have enabled individual schools and students to benefit from improved and enhanced provision.

The Friends of Severn Vale (FoSV). Generally they are an enthusiastic and dedicated group of parents who are working with the Academy to raise funds for the benefit of the students. To support the Academy and further develop facilities, the FOSV organise a variety of events and activities. FoSV is financially independent from Severn Vale School. FoSV is not currently active for fundraising but re working towards re-establishing during 2023-24

Objectives and activities

a. Objects and aims

In accordance with the Articles of Association, the company has adopted a 'Scheme of Government' approved by the Secretary of State for Education.

The main objectives of the Academy's Financial Plan during the year ended 31 August 2023 are summarised below:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- to raise the standard of educational achievement of all students.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to comply with all appropriate statutory and curriculum requirements.
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

The Academy has continued to strive to improve levels of academic performance and has rigorous targets and monitoring strategies in place to achieve this. Proposed changes to behaviour and attendance systems will further ensure enhance pupils' learning.

The quality of teaching across the Academy is consistently good and, in a number of areas, is outstanding as evidenced by a variety of Quality Assurance (QA) activities and student outcomes. The majority of teachers are subject specialists and they are increasingly reflective in their practice. Enhancements to the way in which teachers are supported in professional development have provided teachers with more time and further opportunities to engage with evidence based, subject specific and pedagogical material, research and collaborative, cross curricular development. The impact of this is being seen in lesson observations which show teachers are planning lessons which more consistently deepen pupils' knowledge and understanding.

Relationships between pupils and staff are a significant strength of the Academy and overwhelmingly lessons are characterised by a positive climate for learning. The vast majority of pupils are engaged in the classroom and are increasingly demonstrating a love of learning and enquiring minds.

Expectations of pupils are high in all subject areas and the Academy is actively encouraging a culture of excellence through assemblies and other activities both in and outside of the classroom to ensure that all students aspire to be the best they can be.

The Academy has a profound belief in partnership working and systems leadership. The Academy works in collaboration with a number of other schools and organisations to improve outcomes and extend learning opportunities for all students. In particular, the creation of the QLC has improved the transition process, providing far greater information about each incoming cohort, in particular regarding vulnerable and at risk students.

c. Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) 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 its future activities.

This is reflected in the Academy's primary purpose which is to advance, for the public benefit, education for pupils of different abilities between the ages of 11 and 16.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

The last "full inspection" of the academy took place in January 2011. It concluded that the Academy was a Good school with outstanding features. The inspectors awarded the following inspection grades:

Assessment	Inspection Grade
Overall effectiveness: how good is the school	2
The school's capacity for sustained improvement	2
Outcomes for individuals and groups of students	2
The quality of teaching	2
The effectiveness of leadership and management in embedding ambition and driving improvement	2
The effectiveness of the Board of Trustees in challenging and supporting the school	2
The extent to which the students feel safe	2
Students' behaviour	2
The extent to which students contribute to the school and wider community	1
The extent of students' spiritual, moral, social and cultural development	1
The effectiveness of care, guidance and support	1

The Academy had a section 8 inspection in February 2020. This visit confirmed that the school remained Good. The inspectors confirmed that the school's 'senior leaders and governors have an accurate understanding of the strength of the school and of what needs to be improved further to ensure that all teaching and learning are at the very high level you expect.'

Exam Results:

Exam results at the Academy compare favourably to those achieved nationally on key performance indicators such as those shown below:

Year	% 5+ English / Maths	% 4+ English / Maths
2017	38	66
2018	40	64
2019	44	68
2020	-	-
2021	-	-
2022	55	73
2023	46	70

NB - in 2020 and 2021 no exams were taken by students; their grades were awarded by Teacher Assessed Grade. The DfE have been clear that there should be no analyses for quality assurance purposes based on these datasets.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The number of students is a Key Performance Indicator for the Academy as the majority of funding received is based on student numbers. The Academy currently has an admission number of 265, equating to a 9-form entry. Sustaining that 9-form entry is a key task and the fact that Severn Vale is heavily oversubscribed reflects the transformation that the Academy has undergone in recent years. The reputation of the Academy has been significantly enhanced amongst the community. With effect from September 2018 the Academy increased its admission number from 235 to 265, to address the shortage of basic needs places in this area.

b. 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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

c. Promoting the success of the company

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has regard to:

- the likely consequences of any decision in the long term
- the interests of the school's employees
- the need to foster the school's business relationships with suppliers, customers and others
- the impact of the school's operations on the community and the environment
- the desirability of the school maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the school.

Financial review

The Academy's financial objectives are:

- to achieve a consistently balanced budget on a long-term basis;
- to manage funding available for the benefit of current learners; and
- to invest in the maintenance and renewal of the Academy's facilities and infrastructure to provide excellent learning and teaching facilities.

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2023, the Academy received total income of £9,280,653 and incurred total expenditure of £9,324,752. The deficit of expenditure over income for the year was £44,099 before actuarial gains on defined benefit pension schemes and a net surplus of £824,901 after actuarial gains on defined benefit pension schemes.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

At 31 August 2023 the net book value of fixed assets was £11,641,651 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 01/08/2011 at £13,805,679. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

a. Reserves policy

The Trustees review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees aim to carry forward 5% of the Academy's annual revenue funding to maintain the staffing structure and level of resources available for students' learning. The Academy's total reserves are £11,872,702 of which £11,675,692 is invested in fixed assets and a deficit of £587,000 represents the pension liability. The remaining free reserves represents an under spend on GAG funding of £784,010.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

b. Investment policy

Bank balances in excess of the Academy's cash flow requirements are invested in accordance with the following rules:

- Money will only be placed with financial institutions who are considered to be 'safe' having good credit ratings in countries known to be stable.
- Consideration should be given to spreading the risk of any bank defaulting by spreading deposits across more than one financial institution.
- To maximise income level.
- The length of investment must not compromise Academy cash flow.
- All investments must be approved in advance by the Headteacher and Chair of Trustees and reported at the next Audit Committee meeting

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

Risk Management:

The Trustees have considered the major risks to which the Academy is exposed, in particular those relating to teaching and learning, the provision of facilities and other operational areas, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces. They have introduced systems, including operational procedures (e.g. vetting of new staff, visitor entry system) and internal financial controls in order to minimise risk. Adequate insurance cover is in place where significant financial risk still remains. Trustees are satisfied that these systems are consistent with guidelines.

Financial and Risk Management Objectives and Policies:

The Academy continues to undertake work to further develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government funding: The Academy has considerable reliance on continued government funding through the ESFA. In the period under review over 95% of the Academy's recurring revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
2. Pupil Numbers: There is significant housing growth in the local area which combined with the Academy's enhanced reputation, means that we are heavily oversubscribed on an annual basis. An annual review of staffing structures and cost is carried out, with adjustments made as necessary. All of the decisions affecting expenditure are made with due regard to Best Value. 'The four Cs' also inform all decision making:
 - **Challenge:**
Both the Academy and the Board of Trustees have been rigorous in challenging the standards of the delivery to secure continuous improvement. With the budget clearly linking to the Improvement Plan and SMART targets throughout, the emphasis on challenge and aspiration is maintained.
 - **Compare:**
The Improvement Plan is the product of wide-ranging bench-marking, with data being used to identify areas for improvement. That bench-marking, comparing the Academy with similar schools, both locally and nationally, is an exercise regularly repeated in the cycle of monitoring, evaluation and review
 - **Consult:**
The Improvement Plan is the product of widespread consultation with all stakeholders involved in the learning partnership. With Trustees, staff, students and parents involved, the notion of "ownership" has been directly addressed.
 - **Compete:**
The Academy ensures that goods and services are purchased subject to competitive quotes.
3. Maintain adequate funding of pension liabilities. The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102. Whilst this shows a large liability, the Trustees do not believe this poses any risk to the Academy as the pension scheme has many contributing members and is underwritten by the Government in the event that the Academy fails. The liability is therefore anticipated to reduce steadily.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

We will work closely with our FOSV group, who fundraise for Severn Vale School, when the charity is re-established.

We would consider using the services of a fundraising consultant for larger grants and projects. We have not collaborated yet but are investigating possibilities.

As a school we participate in national and local fundraising campaigns such as Children in Need and Comic Relief and a local charity, Teen in Crisis.

Individual groups of students also hold in-house events such as cake sales and raffles to help toward their praise events.

Staff operate a subs scheme and tuck shop to contribute towards staff refreshments as well as individual gifts for staff when they leave or have significant celebrations.

We have a link with the national FareShare scheme where we are able to collect food with limited shelf-life to help run our breakfast club for vulnerable students.

Any complaints would be handled in line with our complaints procedure.

Plans for future periods

The Academy has a clear improvement plan clearly linked to its self-evaluation. The Academy knows itself well and has targeted improvement in the following key areas:

Given the very uncertain times the school has operated in during the Covid pandemic, and with further uncertainty surrounding energy costs, the school's main priority is to maintain our standards, expectations and caring philosophy under the most extraordinary circumstances.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

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


Sarah Cockin (Dec 7, 2023 14:49 GMT)
.....
Sarah Cockin
(Chair of Trustees)

07/12/2023
Date:

SEVERN VALE SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Severn Vale School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Sarah Cockin, Chair of Trustees	6	6
Richard Johnson, Accounting Officer (Headteacher)	6	6
Lorraine Adams	3	6
Emily Axford	1	6
Adrian Ayland	2	6
Tryphosa Bennett	0	6
Matthew Bishop	3	6
Laura Chambers	0	6
David Hanson	4	6
Susan Hawkins	5	6
Caroline Jones	2	2
Deborah Jones	5	6
Rev. Peter Millward	4	6
Adam Osborne	5	6
Vania Seymour	3	6
John Sherratt	2	3
Julie Williamson	6	6
Robert Rankin	0	6

The members of the Academy conducted a self-evaluation check at their Steering Committee meeting in July 2023. Targets were set for the forthcoming year.

The self-evaluation confirmed the continued need for an Audit Governor, who would take responsibility for monitoring the finance and accounting function in the school. The Audit Governor is a qualified and experienced Chartered Accountant.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Now that finances are more favourable at Severn Vale and an Audit Governor has been recruited, the previous Audit Committee (a sub-committee of Resources Committee) has ceased. The function of the Audit Committee has been taken on by the Resources Committee, with particular guidance and assistance from the Audit Governor.

We are working towards full separation between Members and Trustees. We are aware that the Financial Academies Handbook recommends that Members should not be Trustees, with the exception of the Chair, and that there should be five Members. This is a target to work towards in the coming year. Removing the current Members as Trustees all at once would result in a lack of expertise in key areas so the process will need to happen in stages. During the year we have approached ex Trustees with a view to them becoming Members, we have two people who have agreed to take on this role. Our Articles of Association have been updated during 2022-23 to enable this change to take place.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to aid the main Board of Trustees in monitoring finance, premises and IT decisions. During the year two trustees joined the committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Lorraine Adams	5	6
Adrian Ayland	2	6
Susan Hawkins	4	6
Richard Johnson	5	6
Caroline Jones	1	1
Robert Rankin	0	6
John Sherratt	2	3

SEVERN VALE SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Targeting the FSM / Pupil Premium students with additional one to one tuition in English and Maths to support them.
- Using the Government Intervention and Tutoring Grants for after school, small group tutoring to help counter the effects of school closures during the Covid pandemic.
- Continuing to enhance the pastoral support with the use of non-teaching Heads of Year, Pastoral Administrators, Year group pastoral mentors and SLT Heads of Key Stage.
- Focussing on narrowing the gap between pupils by way of additional support and resources in the Academy to allow them to achieve the best possible outcomes for them.
- Stipulating that the School Business Manager and Finance Officer pursue best value for money when purchasing goods for the Academy.
- Continuing to operate prepayment and accrual accounting within the Academy to ensure better control and tracking of budget performance through the year.
- Achieving significant savings in both Cover and Staff development costs by the use of delivering a scheme of in-house training and development and managing staff absences effectively.
- Meeting with the Trustees' Resources Committee on a termly basis to go through and review the
- Where practically possible, buying the Academy its resources in cost effective quantities. i.e. books, printer paper etc. thus taking advantage of lower prices.
- Undertaking benchmarking with other Gloucestershire schools to ascertain where best / better value can be achieved, such as joint staff appointments, keeping costs for schools to a minimum.
- Reviewing all contracts and services on an annual basis.

We take a great pride in our school site and ensure it is safe and compliant in all areas. New staff undertake a full induction and training programme, and all staff undertake annual refresher training on Health and Safety, GDPR, fire risk, cyber security and safeguarding, as well as participating in fire and lockdown drills. We buy Health and Safety support and annual inspection from Gloucestershire County Council to check our processes are robust. Our Operations Manager, Safeguarding Officer and 3 members of SLT meet each term to look at Operational Safeguarding, review the term and address any issues raised.

We have a team of 4.4 site staff, who maintain the school and deal with all issues. We have an ongoing schedule to ensure the school is the best it can be, inside and out. We use an external software system used by all staff to raise any issues they see around the school site, which are dealt with quickly by our site team. We also use external contractors to ensure the grounds are well maintained and correct sport facilities are available to students, and the wider community.

We have contracts with external providers for our cleaning services, intruder and fire alarm systems, waste disposal, and local flooring and building companies.

School holiday periods are used for extensive projects for renewal, repair and maintenance, as well as regular redecoration in all areas of the school. The previous 2 summers have seen replacement astro pitch, resurfacing of tennis courts, resurfacing of our car park, installation of EV charging points, external redecoration, replacement sports ahll flooring and LED lighting, in amongst our more general maintenance and repairs.

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 Severn Vale School for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 have been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

To adopt peer-to-peer internal audit with Newent Community School.

The Business Manager from Newent Community School completed additional checks during 2022-23, with scope of the work and the work programme agreed in the new audit regulations.

The internal auditor'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:

- Testing of petty cash
- Testing of compliance
- Testing of expenditure
- Testing of income
- Testing of budgets and financial monitoring
- Testing of credit card controls
- Testing of fixed assets
- Testing of payroll

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Business Manager from Newent Community School reported to the Board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. This agreed schedule of check was delivered and no material control issues were identified.

Review of effectiveness

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

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

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

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


Sarah Cockin (Dec 7, 2023 14:49 GMT)
Sarah Cockin
Chair of Trustees

07/12/2023
Date:


Richard Johnson (Dec 7, 2023 07:37 GMT)
Richard Johnson
Accounting Officer

07/12/2023
Date:

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Richard Johnson

Richard Johnson (Dec 7, 2023 07:37 GMT)

Richard Johnson
Accounting Officer

07/12/2023
Date:

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

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


Sarah Cockin (Dec 7, 2023 14:49 GMT)

Sarah Cockin
(Chair of Trustees)

07/12/2023
Date:

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN VALE SCHOOL**

Opinion

We have audited the financial statements of Severn Vale School (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our audit planning process gave consideration to the risk of material misstatement in the financial statements, using the calculated materiality level which itself factored in the nature of the Academy's operations and the interpreted levels of inherent and control risk.

In assessing the risk of fraud we reviewed management's own assessment of potential for fraud within the entity and reviewed judgements made by management to identify possible bias, in addition to any opportunity and incentive for fraud that are inherent in the nature of the Academy's operations. Our detailed testing included review of accounting estimates and judgements and validation of prime ledger entries.

We confirmed our knowledge of the legal and regulatory environment of the entity through discussions with management. We analysed all information available to us in respect of relevant laws and regulations, including the Companies Act 2006, Charities SORP, Academy Trust Handbook and relevant UK tax legislation and enquired with management as to any possible breaches in the aforementioned.

We agreed the accuracy of the financial statements to the supporting management information provided by the client and tested individually on a sample basis the income and expenditure in the financial statements to consider the business rationale behind the transactions and the accuracy of the financial records.

Our audit testing did not identify any issues in respect of the matters listed above, including fraud.

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

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

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

Use of our report

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



Benjamin Burch, ACA (Senior Statutory Auditor)

for and on behalf of
Randall & Payne LLP
Statutory Auditors
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

07/12/2023

Date:

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SEVERN VALE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Severn Vale School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Severn Vale School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Severn Vale School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

- We review consistency with the value for money principles in the period;
- We assess compliance with relevant laws and regulation;
- We assess the safeguarding of public funds and assets.

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

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

Randall & Payne LLP

Reporting Accountant

Randall & Payne LLP

Statutory Auditors
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

07/12/2023

Date:

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	23,162	126,035	74,320	223,517	215,587
Other trading activities		39,543	-	-	39,543	16,191
Investments	6	1,777	-	-	1,777	675
Charitable activities		287,279	8,728,537	-	9,015,816	8,316,046
Total income		351,761	8,854,572	74,320	9,280,653	8,548,499
Expenditure on:						
Charitable activities	8	425,316	8,523,797	375,639	9,324,752	9,040,866
Total expenditure		425,316	8,523,797	375,639	9,324,752	9,040,866
Net (expenditure)/income		(73,555)	330,775	(301,319)	(44,099)	(492,367)
Transfers between funds	18	73,555	(155,485)	81,930	-	-
Net movement in funds before other recognised gains		-	175,290	(219,389)	(44,099)	(492,367)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	869,000	-	869,000	4,175,000
Net movement in funds		-	1,044,290	(219,389)	824,901	3,682,633
Reconciliation of funds:						
Total funds brought forward		-	(847,280)	11,895,081	11,047,801	7,365,168
Net movement in funds		-	1,044,290	(219,389)	824,901	3,682,633
Total funds carried forward		-	197,010	11,675,692	11,872,702	11,047,801

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

The notes on pages 30 to 54 form part of these financial statements.

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07705465

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	11,641,651	<i>11,895,081</i>
		<u>11,641,651</u>	<u>11,895,081</u>
Current assets			
Debtors	15	216,712	<i>143,786</i>
Cash at bank and in hand		1,091,094	<i>1,139,860</i>
		<u>1,307,806</u>	<u>1,283,646</u>
Creditors: amounts falling due within one year	16	(489,755)	<i>(657,926)</i>
Net current assets		818,051	<i>625,720</i>
Total assets less current liabilities		12,459,702	<i>12,520,801</i>
Net assets excluding pension liability		12,459,702	<i>12,520,801</i>
Defined benefit pension scheme liability	24	(587,000)	<i>(1,473,000)</i>
Total net assets		11,872,702	<i>11,047,801</i>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	11,675,692	<i>11,895,081</i>
Restricted income funds	18	784,010	<i>625,720</i>
		<u>12,459,702</u>	<u>12,520,801</u>
Restricted funds excluding pension asset	18	12,459,702	<i>12,520,801</i>
Pension reserve	18	(587,000)	<i>(1,473,000)</i>
Total restricted funds	18	11,872,702	<i>11,047,801</i>
Unrestricted income funds	18	-	<i>-</i>
Total funds		11,872,702	<i>11,047,801</i>

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07705465

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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


[Sarah Cockin \(Dec 7, 2023 14:49 GMT\)](#)
.....
Sarah Cockin
(Chair of Trustees)

07/12/2023
Date:

The notes on pages 30 to 54 form part of these financial statements.

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(2,656)	474,335
Cash flows from investing activities	21	(46,111)	(434,734)
Change in cash and cash equivalents in the year		(48,767)	39,601
Cash and cash equivalents at the beginning of the year		1,139,861	1,100,260
Cash and cash equivalents at the end of the year	22, 23	1,091,094	1,139,861

The notes on pages 30 to 54 form part of these financial statements

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 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 i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **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.

1.4 Expenditure

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

• **Charitable activities**

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

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.5 Government grants

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

1.6 Interest receivable

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

1.7 Taxation

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

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

1.8 Tangible fixed assets

On conversion the academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long-term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

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

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

SEVERN VALE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold land	- 125 years straight line
Long-term leasehold property	- 20 and 50 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

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

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.13 Operating leases

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

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgement

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 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 24, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	23,162	126,035	-	149,197	190,114
Capital Grants	-	-	74,320	74,320	25,473
	<u>23,162</u>	<u>126,035</u>	<u>74,320</u>	<u>223,517</u>	<u>215,587</u>
<i>Total 2022</i>	<u>23,902</u>	<u>166,212</u>	<u>25,473</u>	<u>215,587</u>	

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4. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations				
DfE/ESFA grants				
General Annual Grant	-	7,459,495	7,459,495	7,079,721
Other DfE/ESFA grants				
Pupil Premium	-	405,390	405,390	387,303
Other DfE/ESFA	-	-	-	2,777
Rates Relief	-	38,656	38,656	36,096
	-	7,903,541	7,903,541	7,505,897
Other Government grants				
Local Authority Grants - Special Educational Needs	-	168,478	168,478	162,665
Other Government Grants	-	342,520	342,520	52,664
Supplementary grant	-	229,922	229,922	95,801
	-	740,920	740,920	311,130
Other income from the Academy's educational operations	287,279	-	287,279	292,657
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	84,076	84,076	206,362
	-	84,076	84,076	206,362
	287,279	8,728,537	9,015,816	8,316,046
	287,279	8,728,537	9,015,816	8,316,046
Total 2022	292,657	8,023,389	8,316,046	

Included within Other DfE/ESFA COVID-19 funding is £84,076 (2022: £44,425) in relation to Recovery premium.

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5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Lettings	14,385	14,385	15,251
Other trading income	25,158	25,158	-
Consultancy	-	-	940
	<u>39,543</u>	<u>39,543</u>	<u>16,191</u>
<i>Total 2022</i>	<u>16,191</u>	<u>16,191</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank interest	1,777	1,777	675
	<u>675</u>	<u>675</u>	
<i>Total 2022</i>	<u>675</u>	<u>675</u>	

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7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational operations:					
Direct costs	5,891,256	358,998	678,076	6,928,330	6,603,374
Allocated support costs	1,066,528	544,934	784,960	2,396,422	2,437,492
	<u>6,957,784</u>	<u>903,932</u>	<u>1,463,036</u>	<u>9,324,752</u>	<u>9,040,866</u>
<i>Total 2022</i>	<u>6,648,584</u>	<u>922,613</u>	<u>1,469,669</u>	<u>9,040,866</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational operations	425,316	8,899,436	9,324,752	9,040,866
	<u>425,316</u>	<u>8,899,436</u>	<u>9,324,752</u>	<u>9,040,866</u>
<i>Total 2022</i>	<u>398,013</u>	<u>8,642,853</u>	<u>9,040,866</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational operations	6,928,330	2,396,422	9,324,752	9,040,866
	<u>6,928,330</u>	<u>2,396,422</u>	<u>9,324,752</u>	<u>9,040,866</u>
<i>Total 2022</i>	<u>6,603,374</u>	<u>2,437,492</u>	<u>9,040,866</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	5,846,041	5,846,041	5,556,415
Depreciation	358,998	358,998	331,374
Educational supplies	166,741	166,741	198,471
Examination fees	151,635	151,635	135,492
Staff development	9,855	9,855	12,427
Trips and other costs	126,584	126,584	187,515
Agency teachers	31,230	31,230	25,672
Recruitment and support	22,560	22,560	21,505
Office overheads	5,078	5,078	1,532
Legal and professional	160,678	160,678	103,388
Other pupil support services	48,930	48,930	29,583
	<u>6,928,330</u>	<u>6,928,330</u>	<u>6,603,374</u>
<i>Total 2022</i>	<u><u>6,603,374</u></u>	<u><u>6,603,374</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Pension finance costs	61,000	61,000	90,000
Staff costs	1,111,743	1,111,743	1,092,169
Depreciation	16,641	16,641	16,026
Trips and other costs	7,172	7,172	5,454
Maintenance of premises and equipment	176,377	176,377	247,771
Cleaning	128,172	128,172	135,214
Rent and rates	37,988	37,988	40,859
Energy costs	185,756	185,756	165,841
Insurance	30,077	30,077	26,585
Catering	425,316	425,316	396,012
Technology costs	96,559	96,559	107,846
Office overheads	18,439	18,439	3,063
Legal and professional	89,787	89,787	71,050
Capital costs for reallocation	-	-	7,612
Audit and other professional fees	11,395	11,395	31,990
	<u>2,396,422</u>	<u>2,396,422</u>	<u>2,437,492</u>
<i>Total 2022</i>	<u>2,437,492</u>	<u>2,437,492</u>	

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £	<i>2022 £</i>
Operating lease rentals	20,626	19,170
Depreciation of tangible fixed assets	375,639	347,400
Fees paid to auditors for:		
- audit	8,260	7,950
- other services	3,090	2,970
	<u>386,995</u>	<u>367,490</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	5,180,925	4,673,330
Social security costs	534,542	483,464
Pension costs	1,242,317	1,491,790
	<u>6,957,784</u>	<u>6,648,584</u>

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	83	77
Administration and Support	35	59
Management	9	10
	<u>127</u>	<u>146</u>

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11. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	6	2
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £967,743 (2022 - £1,029,115).

12. Trustees' remuneration and expenses

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

		2023	2022
		£	£
Richard Johnson, Accounting Officer (Headteacher)	Remuneration	100,000 -	90,000 -
		105,000	95,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000
Julie Williamson	Remuneration	50,000 -	50,000 -
		55,000	55,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Tryphosa Bennett	Remuneration	40,000 -	35,000 -
		45,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year, retirement benefits were accruing to 3 Trustees (2022 - 3) in respect of defined benefit pension schemes.

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

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13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	14,174,805	763,778	532,472	80,130	15,551,185
Additions	-	122,208	-	-	122,208
At 31 August 2023	<u>14,174,805</u>	<u>885,986</u>	<u>532,472</u>	<u>80,130</u>	<u>15,673,393</u>
Depreciation					
At 1 September 2022	2,882,509	237,627	519,942	16,026	3,656,104
Charge for the year	260,164	88,096	11,353	16,026	375,639
At 31 August 2023	<u>3,142,673</u>	<u>325,723</u>	<u>531,295</u>	<u>32,052</u>	<u>4,031,743</u>
Net book value					
At 31 August 2023	<u><u>11,032,132</u></u>	<u><u>560,263</u></u>	<u><u>1,177</u></u>	<u><u>48,078</u></u>	<u><u>11,641,650</u></u>
At 31 August 2022	<u><u>11,292,296</u></u>	<u><u>526,151</u></u>	<u><u>12,530</u></u>	<u><u>64,104</u></u>	<u><u>11,895,081</u></u>

Included within long-term leasehold property is land valued at cost of £2,149,313 (2022: £2,149,313), which is being depreciated straight-line over 125 years, beginning in 2011 when Academy status was granted to the Academy.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,200	-
Prepayments and accrued income	184,016	95,990
Tax recoverable	31,496	47,796
	216,712	143,786
	216,712	143,786

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	31,810	28,553
Other taxation and social security	129,370	117,472
Other creditors	147,349	140,812
Accruals and deferred income	181,226	371,089
	489,755	657,926
	489,755	657,926

Included within deferred income are amounts relating to Trip Income of £82,023 (2022: £43,576).

17. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,091,094	1,139,860
	1,091,094	1,139,860
	1,091,094	1,139,860

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds 1	-	351,761	(425,316)	73,555	-	-
Restricted general funds						
General Annual Grant	625,720	7,459,495	(7,145,720)	(155,485)	-	784,010
Pupil premium	-	405,390	(405,390)	-	-	-
SEN	-	168,478	(168,478)	-	-	-
Rates relief	-	38,656	(38,656)	-	-	-
Other income	-	126,035	(126,035)	-	-	-
Other Government Grants	-	74,143	(74,143)	-	-	-
Supplementary Grant	-	229,922	(229,922)	-	-	-
Mainstream schools additional grant	-	122,746	(122,746)	-	-	-
Growth funding	-	145,630	(145,630)	-	-	-
Recovery funding	-	84,077	(84,077)	-	-	-
Pension reserve	(1,473,000)	-	17,000	-	869,000	(587,000)
	(847,280)	8,854,572	(8,523,797)	(155,485)	869,000	197,010
Restricted fixed asset funds						
Fixed asset net book value	11,895,081	-	(375,639)	122,208	-	11,641,650
Devolved Formula Capital grant	-	26,030	-	(26,030)	-	-
DfE Energy Efficiency Grant	-	48,290	-	(14,248)	-	34,042

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
	11,895,081	74,320	(375,639)	81,930	-	11,675,692
Total Restricted funds	11,047,801	8,928,892	(8,899,436)	(73,555)	869,000	11,872,702
Total funds	11,047,801	9,280,653	(9,324,752)	-	869,000	11,872,702

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

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

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

Teachers pay and pension grants - Funding received from the ESFA to support increased salary and pension contributions for all teachers.

Other ESFA grants - Funding received from the ESFA for the reimbursement of business rates costs and free school meals funding.

Local Authority grants - Funding received from the Local Authority to fund further support for students with additional educational needs, to support the expansion of the school through increased pupil numbers and also local authority pupil premium.

COVID catchup premium - Funding received from the ESFA to support children and young people to catch up on missed learning caused by COVID-19.

COVID - other grants - Funding received from the ESFA to cover additional costs caused by the COVID-19 pandemic and funding to act as a mass testing centre.

Donations - Contributions towards the costs of educational trips.

Conditional Improvement Fund - Funding received from the ESFA for direct expenditure to be used on building repairs and maintenance at the school.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Fixed asset net book value - This represents the value at the year end of fixed assets held by the Academy, net of depreciation that has accumulated to date through use of those assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds - all funds	-	333,424	(398,012)	64,588	-	-
Restricted general funds						
General Annual Grant	819,843	7,079,721	(6,787,574)	(486,270)	-	625,720
Pupil premium	-	387,301	(387,301)	-	-	-
Other ESFA grants	-	2,776	(2,776)	-	-	-
SEN	-	162,665	(162,665)	-	-	-
COVID - other grants	-	206,362	(206,362)	-	-	-
Donations	-	23,902	(23,902)	-	-	-
Rates relief	-	36,096	(36,096)	-	-	-
Other income	-	142,312	(142,312)	-	-	-
Other Government Grants	-	148,465	(148,465)	-	-	-
Pension reserve	(5,250,000)	-	(398,000)	-	4,175,000	(1,473,000)
	<u>(4,430,157)</u>	<u>8,189,600</u>	<u>(8,295,453)</u>	<u>(486,270)</u>	<u>4,175,000</u>	<u>(847,280)</u>
Restricted fixed asset funds						
Fixed asset net book value	11,781,599	-	(347,400)	460,882	-	11,895,081
Devolved Formula Capital grant	13,726	25,473	-	(39,199)	-	-
	<u>11,795,325</u>	<u>25,473</u>	<u>(347,400)</u>	<u>421,683</u>	<u>-</u>	<u>11,895,081</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Total Restricted funds	7,365,168	8,215,073	(8,642,853)	(64,587)	4,175,000	11,047,801
Total funds	7,365,168	8,548,497	(9,040,865)	1	4,175,000	11,047,801

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	11,641,651	11,641,651
Current assets	1,273,765	34,041	1,307,806
Creditors due within one year	(489,755)	-	(489,755)
Provisions for liabilities and charges	(587,000)	-	(587,000)
Total	197,010	11,675,692	11,872,702

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	11,895,081	11,895,081
Current assets	1,283,646	-	1,283,646
Creditors due within one year	(657,926)	-	(657,926)
Provisions for liabilities and charges	(1,473,000)	-	(1,473,000)
Total	(847,280)	11,895,081	11,047,801

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(44,099)	(492,367)
Adjustments for:		
Depreciation	375,639	347,400
Capital grants from DfE and other capital income	(74,320)	(25,473)
Interest receivable	(1,777)	(675)
Defined benefit pension scheme cost less contributions payable	(78,000)	308,000
Defined benefit pension scheme finance cost	61,000	90,000
(Increase)/decrease in debtors	(72,928)	48,256
(Decrease)/increase in creditors	(168,171)	199,194
Net cash (used in)/provided by operating activities	(2,656)	474,335

21. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	1,777	675
Purchase of tangible fixed assets	(122,208)	(460,882)
Capital grants from DfE/ESFA/LA	74,320	25,473
Net cash used in investing activities	(46,111)	(434,734)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	1,091,094	1,139,861
Total cash and cash equivalents	1,091,094	1,139,861

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23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,139,860	(48,766)	1,091,094
	1,139,860	(48,766)	1,091,094

24. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,210,012 (2022 - £816,254).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £511,000 (2022 - £437,000), of which employer's contributions totalled £429,000 (2022 - £367,000) and employees' contributions totalled £82,000 (2022 - £70,000). The agreed contribution rates for future years are 5.5 per cent for employers and 12.5 per cent for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

Hymans Robertson	2023	<i>2022</i>
	%	%
Rate of increase in salaries	3.5	3.35
Rate of increase for pensions in payment/inflation	3	3.05
Discount rate for scheme liabilities	5.2	4.25

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

	2023	<i>2022</i>
	Years	Years
<i>Retiring today</i>		
Males	19.8	21.7
Females	22.8	24.1
<i>Retiring in 20 years</i>		
Males	20.8	22.6
Females	25.4	25.8

Sensitivity analysis

Hymans Robertson	2023	<i>2022</i>
	£000	£000
Discount rate -0.5%	615	675
CPI rate +0.5%	585	635
Salary increase rate +0.5%	40	45

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	3,211,000	3,062,000
Debt instruments	1,037,400	855,000
Property	592,800	495,000
Cash and other liquid assets	98,800	90,000
Total market value of assets	4,940,000	4,502,000

The actual return on scheme assets was £355,680 (2022 - £-238,000).

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

	2023 £	2022 £
Current service cost	(351,000)	(675,000)
Interest income	200,000	75,000
Interest cost	(261,000)	(165,000)
Total amount recognised in the Statement of Financial Activities	(412,000)	(765,000)

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

	2023 £	2022 £
At 1 September	5,975,000	9,653,000
Current service cost	351,000	675,000
Interest cost	261,000	165,000
Employee contributions	82,000	70,000
Actuarial gains	(1,036,000)	(4,497,000)
Benefits paid	(106,000)	(91,000)
At 31 August	5,527,000	5,975,000

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24. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	4,502,000	4,403,000
Interest income	200,000	75,000
Actuarial losses	(167,000)	(322,000)
Employer contributions	429,000	367,000
Employee contributions	82,000	70,000
Benefits paid	(106,000)	(91,000)
At 31 August	4,940,000	4,502,000

25. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	10,313	10,313
Later than 1 year and not later than 5 years	20,627	41,253
	30,940	51,566

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.