Company Registration No. 08929065 (England and Wales)

BARNWELL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

BARNWELL ACADEMY TRUST

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BARNWELL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	A Whitaker-Lindsley G Seagrove S Wharton A Mills P Cutts
Trustees	A Emmerson (Accounting Officer) D Hargrave S Wharton (Chair) N Procter D J Scaman K Bainbridge A Hall
Senior management team	
- Principle Headteacher	A Emmerson
- Deputy Headteacher	K Sadler
- Business Manager	C Nellist
Company secretary	C Nellist
Company registration number	08929065 (England and Wales)
Registered office	Whitefield Estate Houghton Le Spring Tyne And Wear DH4 7RT United Kingdom
Independent auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB United Kingdom
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland SR1 1SE United Kingdom
Solicitors	Samuel Phillips 18-24 Grey Street Newcastle Upon Tyne Tyne And Wear NE1 6AD United Kingdom

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

The trust operates a nursery and a primary academy for pupils aged 3 to 11 serving a catchment area in the Coalfields area of Sunderland. The primary academy has a pupil capacity of 210 and had a roll of 209 in the Spring school census (January 2021). Barnwell Academy is currently rated as 'Good' by Ofsted.

The trust also operates Barnwell Daycare, a 36-place childcare provision for children aged 0-5. Barnwell Daycare is located within the Monument Centre, which also comprises of a community sports hall and dedicated rooms for parental / children's activities. The Centre is located within the grounds of Barnwell Academy. Barnwell Daycare is currently rated as 'Outstanding' by Ofsted and was awarded with the Top 20 Nurseries North East England award (daynurseries.co.uk) in May 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The company was incorporated on 7th March 2014 and converted to academy status on 1st April 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Barnwell Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Barnwell Academy Trust.
Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of recruitment and appointment or election of trustees

Trustees (or Directors) are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made are in line with the guidance in the Articles of Association. The term of office for any Director shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees. The Head Teacher of the Academy shall be a Trustee for as long as he or she remains in that position. Following a review of structure in 2019/20, Staff Trustees (apart from the Head Teacher) would not ordinarily be appointed to the Board but instead act as Local Governors to the Academy.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Similarly, with Staff Trustees, Parent Trustees would not ordinarily be appointed to the Board but instead act as Local Governors to the Academy. Parent Trustees or Local Governors must be a parent of a pupil on roll at the Academy at the time they were elected.

Trustees may appoint Staff or Parent Local Governors to the Board, on a temporary basis, if there is a shortage of numbers or skills and experience.

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and procedures adopted for the induction and training of trustees

All new Trustees and/or Local Governors will be given induction training by the Trust's governance partner that reflects his/her previous experience and expertise. The Trust purchases support that provides for individual and full Governing Body training through an annual Service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational structure

The Members established the Trust and set out the constitution of the school, through signing its memorandum and articles of association. Members can appoint and dismiss Trustees/Directors.

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Management Team of the Academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees set the strategic direction of the Trust and is ultimately accountable to the Secretary of State for its performance. They will hold to account the Head Teacher who is also the Accounting Officer. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, reviewing curriculum, budget monitoring, making major decisions about the direction of the Academy and the Trust and senior staffing appointments as well as monitoring standards and performance.

The Senior Management Team consists of the Head Teacher, Deputy Head Teacher and Business Manager. The team lead and manage the Trust at an executive level, steering the direction of the Academy in line with strategic plans and developing opportunities. They are also responsible for the day to day operation of the Academy (with support from the Senior Leadership Team) in addition to supporting the wider work and objectives of the Trust. The Head Teacher and Trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the Academy's financial regulations manual.

The Business Manager, who is also the Chief Financial Officer, is responsible for the management of the financial systems, sourcing additional funds and ensuring efficient and effective use of resources. The Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the financial regulations manual, alongside the management of support staff, facilities staff and the efficient operation of the school office.

The Senior Leadership Team consists of the Senior Management Team with the addition of the EYFS / KS1 / KS2 Leads. The team lead and manage the effective delivery of the teaching and learning / curriculum.

Trustees have undertaken strategic reviews to the organisations structure in 2019/20 and 2020/21.

In 2019/20, Trustees ratified the addition of a Local Governing Body for Barnwell Academy. This structural change has enabled the trust to have effective governance in place to build capacity when the opportunity arises. The Local Governing Body will consist of 3x Parent Governors and 2x Staff Governors. Trustees also reviewed the effectiveness of the Finance Committee which led to appointing a Chair of Finance Committee that had a financial background in accountancy, which will result in enhanced expertise and robust challenge.

In 2020/21, Trustees reviewed the effectiveness of the Audit, Premises and Finance Committee following feedback from an internal audit. Trustees ratified an amendment to the Terms of Reference and the Committee was changed to the Audit, Risk and Finance Committee, with more emphasis on audit and risk using a new calendar of business. Trustees agreed to review this committee on annual basis with the possibility of using an independent review, if needed.

Related parties and other connected charities and organisations

All members, trustees, local governors and staff are required to declare any business interests that may impact on the Academy. A Trust Business and Pecuniary Interests register is updated on an annual basis. The adopted policy is that if interests are declared then the trustee will remove themselves from the relevant decision-making process.

For the period ending 31st August 2021 there are no connected organisations or related party relationships.

Arrangements for setting Pay and Remuneration of Key Management Personnel

During the period ending 31st August 2021, the arrangements for setting the pay and remuneration of the academy trust's key personnel have followed recognised procedures – the Headteacher's salary was paid in accordance with national guidelines in respect of the size of school and number of pupils. All other personnel are paid in line with nationally recognised pay scales and agreed by trade unions. Performance Management has been rigorous, and personnel have only been awarded an increase if targets have been met. The academy trust's personnel committee meet to discuss and agree any pay policies and remuneration awarded to individuals.

Trade union facility time

Relevant union officials (during the period ending 31st August 2021):

- Number of employees who were relevant union officials – None
- Percentage of time spent on facility time – 0%
- Percentage of pay bill on facility time – 0%
- Paid trade union activities - None

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016, this section will include information on the Trust's fundraising practices.
Trustees have overall responsibility and accountability for the Trust's fundraising. They have a key role to play in setting our approach to raising funds, making sure that this approach is followed in practice and reflects our charity's values, which are:

- Acting in the best interests of the trust
- Managing resources responsibly, which includes protecting and safeguarding the trust's reputation
- Acting with reasonable care and skill

Operational responsibility for fundraising events is delegated to the Senior Management Team.

All fundraising is carried out in the confines of the Trust's grounds and we do not work with, or have oversight, with any commercial participators / professional fundraisers.
During the year ending 31st August 2021 our fundraising has been limited due to the Covid-19 pandemic, however, they do include:

- Harvest Festival – donated food produce passed to the Sunderland food bank
- The Giving Tree – donated Christmas presents passed to Sunderland Women's refuge
- Children in Need collection – all donated monies passed to Children in Need

Trustees give assurance that fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law.

The monitoring of fundraising is carried out by Senior Management Team and any reports of compliance breaches or fundraising complaints will be reported to trustees. During the year ending 31st August 2021, no breaches or complaints occurred.

All our fundraising events are located within Barnwell Academy and are optional open events. We do not add undue pressure for donations from the public, especially vulnerable people.

Extraordinary

Throughout 2020/2021 the Academy has continued to navigate the COVID-19 pandemic.

In January 2021, the Prime Minister ordered a national lockdown due to the COVID-19 pandemic. The school nursery and Daycare provision remained open throughout the national lockdown. Barnwell Academy partially closed between 5th January 2021 and 5th March 2021. Educational provision in school was provided for vulnerable pupils and of the government defined keyworker list. Remote learning was provided for all other pupils.

Statutory testing was cancelled, and no children were assessed against national standards in EYFS, Year 1 phonics, Year 4 multiplication, Key Stage 1 or Key Stage 2.

All academy premises became COVID secure and government guidance was followed to ensure procedures for working and learning were conducted in a safe environment. Risk assessments were regularly reviewed and updated, and shared with staff, local authority and unions. They were also publicly available on our website.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Barnwell Academy to provide early years' education and childcare for children between the ages of 0-3 years in a day-care setting and providing education for pupils of different abilities between the ages of 3-11 years in school. Barnwell Academy is an inclusive environment and is dedicated to continually improving the quality of the educational provision for all of our pupils so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

At Barnwell Academy our vision is to provide an outstanding education in which everyone can develop his or her aptitudes and abilities to the full. Barnwell Academy is staffed by a committed and talented team of teachers, teaching assistants, office and premises staff, and supported by an active Board of Trustees. We firmly believe that a key factor in helping children develop and achieve lies in the relationship between home and school.

Our aims:

- For all pupils to develop into successful learners and achieve their full potential through high quality purposeful teaching.
- To nurture and develop every child to become responsible and caring members of the community.
- To work in genuine partnerships with families and the wider community.
- To provide for every child an enjoyable, broad and balanced curriculum in a high quality, stimulating environment.
- To challenge, support and develop staff to create an outstanding workforce.

Trustees, staff, parents, and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

Objectives, strategies and activities

During the period ending 31st August 2021, the Board of Trustees and Senior Management Team continue to develop a strategic business plan that evaluates past years and sets objectives and milestones for the year ahead. This ensures the drive for educational excellence of the Academy and the Trust's expansion and financial stability for the future. This plan includes three main strategic aims going forward:

Strategic Aim 1: Outcomes	Key Strategic Areas
All academies are enabled to achieve excellence.	i. To deliver high quality teaching and learning for every child providing a broad, balanced yet challenging curriculum.
	i. To ensure every child regardless of ability, gender, race, age, religion, race or physical challenge, makes good progress, attains high and achieves their potential.
	iii. To use self-led evaluation to drive school improvement and staff development.

Success Criteria

1. Attainment at all key stages are above national levels across the trust.
2. All teaching is judged to be good or outstanding across the trust.
3. All groups of pupils make expected or better progress across the trust.
4. Self-led evaluation and external inspection to recognise outstanding outcomes across the trust.

Outcomes

In 2021, pupils in the Academy did not complete statutory testing due to COVID-19 arrangements. All reference to attainment and progress refer to teacher assessment.

- Outcomes at all key stages are in line with historic national data (no national data due to Covid).
- The quality of teaching remains at least good including remote learning.
- The difference between disadvantaged pupils and others at the end of Key Stage 1 in reading is diminished with gap in writing and maths significantly reduced. At the end of Key Stage 2 the gap between disadvantaged pupils and others has reduced in writing.
- The intent, implementation and impact of the curriculum has ensured all pupils achieve their maximum potential. The use of co-ordinated remote learning during lockdowns has ensured the impact of the pandemic has been minimal.
- The outcomes of the trust are judged to good or better by external monitoring.

Strategic Aim 2: Leadership	Key Strategic Areas
To ensure high quality governance and leadership at all levels	i. To develop a Trust Board that represents the right skill-set to drive forward the organisation.
	i. To secure local Governing bodies that is uncompromising in their ambition to improve outcomes for all pupils.
	i. To empower leaders to drive school improvement and set high expectations for all.
	iv. To develop the performance of middle-leaders and build capacity for further improvement within the trust.

Success Criteria

1. The Trust Board consists of seven trustees recognised as being high performing.
2. Local Governing Bodies are established and ensure the delivery of academy strategic objectives and promote high standards of educational achievement.
3. Leadership, including Governance, is judged to be outstanding through self-led evaluation and external inspection.
4. The Trust Board are clearly focused on raising standards and securing excellent outcomes for all pupils in the trust.
5. Substantive leadership and well-developed middle-leaders, are demonstrating clear progress across the trust.
6. All statutory responsibilities, including safeguarding and health and safety, continue to be met.
7. The Trust Board continue to challenge and drive financial stability.

Outcomes

- The Academy Governance structure is compliant with DFE recommendations. The Members, Trustees and Local School Governors are separate.
- The Trustees are ambitious for the performance of the trust.
- Local School Governing bodies is operational in their role of school improvement. They are ambitious for the staff and pupils in their school.
- Due to the continued impact of the Covid-19 pandemic collaboration with other schools in the community has remained static. Virtual collaboration has continued with local primary schools.
- There is a clear distinction between the identity of the trust and individual schools
- The Trust Board are clearly focused on raising standards and securing excellent outcomes for all pupils. The designated safeguarding and SEND Trustees operate well in their role and champion pupils in the trust. The SENDCO has achieved NPQSL.
- Substantive leadership are demonstrating clear progress across the trust in their designated areas including EYFS and Daycare and curriculum subjects.
- All statutory responsibilities continue to be met by the trust.
- The Trust Board continue to challenge and drive financial stability. The Trust managed the COVID- 19 pandemic ensuring financial viability throughout.

Strategic Aim 3: **Business**	**Key Strategic Areas**
To strengthen the Trust by ensuring future sustainability.	i. To create and maintain a business plan that drives measured and systematic growth.
	i. To deliver balanced budget plans year-on-year.
	i. To monitor and successfully manage risks
	i. To deliver high-quality services

Success Criteria

1. The trust has grown to provide an inclusive educational community to 0-11 year olds.
2. Financial plans and forecasts deliver a stable budget position with no deficits within the trust.
3. The trust fully understands the management of Risk and has in place effective plans to mitigate and control these risks.
4. The trust provides high-quality services not only within the trust but to external partners.

Outcomes

- All academies in the trust are self-sufficient and deliver balanced budgets.
- Stronger relationships are established with finance, ICT and curriculum providers to secure financial security.
- The Trust has implemented central services that are cost effective and future ready.
- School facilities are resourced through additional income streams. A reduction in private lettings has resulted from the on-going pandemic and continued National lockdowns.
- The academy has created an outdoor learning space for Key Stage 1 and Key Stage 2 children in primary school. LED lighting has been installed in the main primary school building. The school environment is of a high standard and vibrant. It is a good, safe place to learn.
- Risk assessments identify political, social and economic risk and plan mitigation. External audits including those completed by health and safety and unions confirm they are relevant and robust.
- Due to COVID-19 generated unrestricted income was significantly impacted with reduced or no lettings between November and April. No income was received for after school clubs throughout 2020/21.

Public benefit

The trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the academy and in planning future activities. In particular, the trustees consider the provision of education to provide public benefit to the community in which it operates.

Key performance indicators

The Academy continues to be oversubscribed with 63 pupils applying for 30 places in the Reception class. The school has very little mobility with most pupils joining in Reception and continuing their education through to Year 6. Any places that became available were allocated immediately according to the Academy's admissions criteria.

Attendance

High pupil attendance levels have continued. The Academy achieved a whole school attendance of 97.1% between September 2020 and July 2021. During the partial closure vulnerable and keyworker children attended daily. All pupils were in daily contact with class teachers and keyworkers through the online platform Goggle Classroom, home/school app, telephone and email.

Group	Cohort	Current Attendance	Persistent Absence less than 90%
Whole School	209	97.1%	2.3%
SEND	41	95.6%	7.3%
Disadvantaged	65	96.2%	6.5 %
Current FSM	58	95.7%	6.5%

End of Year Results

Key Stage 2 Teacher Assessments 2021

Number of children eligible: 30

	School Achieved standard (Scaled score of 100 or above)	FFT National expected standard	School Exceeded Standard (GDS)	FFT National Greater Depth
English: reading	87%	77%	37%	32%
Maths	83%	74%	33%	24%
Reading/Writing/Maths	73%	64%	30%	12%
Writing	73%		30%	
Science	83%			

FFT is a non-profit, registered charity that provides information to UK based schools to support school improvement. The National data provided is generated from schools who submitted data in July 2021. This will not be all schools in England.

	School Progress Score	National Progress Score
Reading	+1.4	0

Writing	+1.9	0
Maths	+1.6	0

	School Average Scaled Score	FFT National Average Scaled Score
Reading	107	105
Maths	107	107
Re/Ma	107	105

Key Stage 1 2021

Number of children eligible: 29

	Working at the expected standard (EXS or above)	FFT National expected standard EXS	Working at greater depth within expected standard (GDS)	FFT National expected standard GDS
English: writing	69%	59%	7%	10%
English: reading	79%	67%	17%	20%
Maths	66%	68%	10%	16%
Science	EXS			
	86%			

Key Stage 1 Phonics- Year 1

School	86%

End of Early Years 2021

School Good Level of Development	76%

End of KS2 results consistently indicate that by the time pupils leave Barnwell Academy they have made good progress and outcomes for pupils are consistently better than national results.

To ensure that standards are continually raised the Academy operates a schedule of robust self-evaluation to monitor the impact of teaching and learning. Monitoring and evaluation shows the Academy is consistently good in the Quality of Education, Behaviour and Attitudes, Personal Development and Leadership and Management. The Academy was rated 'Good' in the last OFSTED and 'Outstanding' in early years.

Remote learning / Covid-19

During the period ending 31st August 2021, the trust has invested in devices and systems for effective remote / home learning to take place. The Trust also received 43 DfE chromebooks and laptops. Every teacher has their own laptop and every pupil has access to online classroom and learning environments (for example, Google classroom and MarvellousMe). Trustees and senior management are confident in the trust's ability to manage the delivery of the curriculum through remote and blended learning. Devices are made available to parents who can't access online content by their own means.

All Senior Management and Leadership staff can work remotely (if the need arises) to ensure the smooth continuation of key management responsibilities (e.g. HR, Payroll, Safeguarding, etc). This includes access to networks and computers from any location and virtual meetings. All employees in the trust have access to an organisational email and receive timely correspondence / updates when needed. Staff, pupil and visitor welfare is something the trust takes seriously, more so during a national pandemic, therefore, risk assessments are checked on a more regular basis and counselling is available to staff who need it. The trust will continue to follow all Public Health and DfE guidance and work closely with the Local Authority, to ensure the safety of all our stakeholders.

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 even with the consideration of the impact and future impact of the Covid-19 pandemic. 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.

Financial review

The main sources of income for the Academy Trust are grants from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period 1st September 2020 to 31st August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives Early Years grant funding and Special Educational Needs funding for High Needs pupils, the use of which is also restricted to particular purposes.

During the period ended 31 August 2021, total expenditure of the Academy was in deficit compared with grant funding from the ESFA together with other incoming resources. As per our reserves policy and discussions with the Board of Trustees, it was agreed to invest a portion of Trust reserves in improvement / capital works and asset procurement (see Reserves Policy section below)

Covid-19 impact on finances

During the period ending 31 August 2021, the continued national lockdowns for Covid-19 had a significant impact on some of the Trust's income and expenditure.

At the start of the financial year, letting bookings were nearly at full capacity, however, all bookings had to be cancelled in November 2020 and from January 2021 to April 2021. This resulted in approximately £10k loss of income for unrestricted funds.

After school clubs were unable to be facilitated throughout the financial year due to the pandemic, therefore, this resulted in a loss of income of approximately £5k for unrestricted funds

The Out of Schools Club was again significantly impacted with only breakfast club provision provided when it was allowed to reopen. This resulted in a loss of income of approximately £4k for unrestricted funds. The loss of income was partially mitigated by an employee continuing to be on the Government's Job Retention Scheme through the Autumn and Spring Terms.

Daycare was unaffected by Covid-19 in the financial year as childcare settings were allowed to remain open throughout the year.

No educational trips and visits took place during the financial year, therefore, no income was received, however, this was offset by no expenditure needed.

Income for school meals also significantly reduced due to lockdown and school partial closures. However, expenditure in food provision was also significantly reduced because of this. Nearly £20k was spent on vouchers for free school meal children, which was an additional expense due to the pandemic. However, this was partially mitigated by the receipt of local authority funding (£11.5k) via school holiday reimbursement grants.

The Trust spent an additional £4k on hygiene supplies to combat the transmission of the virus. This included PPE (gloves, masks, visors, etc) and hand sanitiser.

The Trust received nearly £17k of Covid-19 Catch Up funding from the ESFA. £7k of this was unspent as of 31st August 2021, therefore, it will be deferred until 2021/22 and spent by April 2022.

In 2021/22, the Trustees of the Academy continued to adhere by the following policies relating to Financial management:-

- Terms of Reference - Financial Management / Schemes of Delegation (updated May 2021)
- Financial Procedures Manual (updated September 2020)
- Articles of Association
- Funding Agreement
- Charging Policy (updated September 2020)
- Academy Financial (Trust) Handbook
- Accounts Direction

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £1,647,000 which has been carried forward to 2021/2022. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

Reserves policy

The Finance Committee review reserve levels on an annual basis. The Trustees will ensure that the level of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of the General Annual Grant (GAG) income and other grants.

The following will be considered when reviewing reserve levels:

- Working capital requirements
- Contingencies to meet unforeseeable expenditure
- Funding of planned and specific future capital expenditure
- Capacity planning for future growth

During the period ending 31 August 2021, further extensive capital / renovation works, and asset procurement have taken place in-and-around the trust's buildings. This includes, but not limited to:

- A new outdoor learning area on previously unused school land
- Energy BMS controls installed in both School and Monument Centre boiler rooms
- New LED lighting installed in School West Wing and Library areas
- Replacement School Wifi network
- 61x Student Laptops (used)
- Expansion of the Daycare 2-year-old room
- New pupil tables in Key Stage 2
- New curriculum server

All the above expenditure has been agreed and approved by appropriate persons, and has been funded by devolved capital income and contributions from trust revenue / reserves.

Free reserves are represented by the unrestricted funds balance as at 31st August 2021. This balance is: £210,713.

As at 31st August 2021, the level of Trust reserves held in restricted funds but available for general education purposes is £412,641, with an in year surplus on restricted funds of £87,857 before capital transfers.

The level of Trust reserves has reduced this year due to investment listed above and the continued pandemic having an impact on specific unrestricted business.

The Trust continues to note that our net surplus is still high for a trust of our size, however, our free and unrestricted reserves are mainly generated from a hugely successful Daycare setting that ensures unrestricted business is self-sustainable and not a burden on restricted funds.

The Trust maintains a capital improvement plan that prioritises future projects and how they can be financed, whether by in-year budget surplus, reserves, or a mixture of the two. The Trust will only decide to spend restricted funds if discussions provide assurances that it will have a positive effect on pupil outcomes.

The Trust forecasts its reserves in future periods to not increase at the level they have been in previous years. This is because of rising costs and further capital investment (see 'plans for future periods' section) that is needed.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Governors see fit. The Trust currently operates interest bearing bank and a 30-day savings account but at present does not have any funds invested as at 31st August 2021.

Principal risks and uncertainties

The principal risks facing the Trust are centred on maintaining pupil numbers and the processes in which the Academies receive their primary source of income from the ESFA/DfE. The recently implemented National Funding Formula is a key area that is being strictly monitored, reviewed, and managed by the Trust to understand the financial implications and take action to address, if and when changes may arise.

Ofsted is expected to inspect both Barnwell Academy and the Daycare setting in 2021/22.

The uncertainty of the Covid-19 pandemic will also be closely monitored as it may still have an impact on short-term income and expenditure levels going forward into 2021/22. Although further lockdowns are unlikely, continued disruption to services and pupil attendance is expected. Also, there is a continued expectation that increased expenditure levels will continue for the procurement of PPE and hygiene equipment / resources.

The pandemic will continue to pose risks and uncertainty in many aspects of the trust's responsibilities including quality of teaching, safeguarding, health & safety, sustainability of extended services and staff absence.

Other risks that continue to be monitored are the skills of trustees and robust financial controls.

In addition, the trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant liability on the Trusts' balance sheet.

During the period there has been continued investment in the training and development of the leadership and middle-management capacity within the Academy to ensure outcomes for pupils and school improvement remain high. The Business Manager completed a Level 7 Certificate in School Financial and Operational Leadership CIPFA course in June 2021.

Staffing is stable and there is provision to cover items such as maternity and sickness absence. The Business Manager has worked closely with accountants, external auditors, and internal audit providers to ensure that financial systems are robust and secure.

Internal audits throughout the year have audited governance, accounting arrangements, income, and expenditure. Substantial assurance has been provided by internal audits that each of these areas has good controls and processes.

Trustees continue to robustly challenge Senior Management at all committee and termly meetings. Management reports are shared monthly with the Chair of Trustees, Chair of Finance Committee and Accounting Office and shared every with all trustees at least six times a year.

Financial and risk management objectives and policies

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. As with all schools, the majority of incoming monetary resources are Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Safeguarding and child protection – the trustees continue to ensure the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Covid-19 could be a significant factor in this risk.

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

Staffing - to achieve its objectives the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy continues to appoint an internal auditor to carry out termly checks on financial systems and records as required by the Academy Financial (Trust) Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Leadership and Management - Strategies to develop senior and middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement remain high.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Financial reports are issued to the Chair of Trustees. Chair of Finance Committee and Accounting Officer on a monthly basis. Trustees receive management reports at least six times a year and examine the financial health formally every term, reviewing performance against budget and overall expenditure by means of regular updates at the Full trustees and Finance committee meetings.

The trustees also regularly review cash flow forecasts and balance sheets, and ensure sufficient funds are held to cover all known and anticipated commitments.

Fundraising

Plans for future periods

The aims of the Trust remain to continue to provide outstanding education to young people. The development and review of strategic improvement plans continues to steer the direction of travel of the Trust. The current levels of reserves are being evaluated to ensure surplus funds are invested into resources (including buildings, equipment and staff training) to achieve maximum return and to meet our aims and objectives set out in our business plan.

In the next financial year, trustees will consider further investment in student laptops and LED lighting for the remainder of the school. The Early Years outdoor area is also earmarked for renovation and Daycare is planned to be decorated prior to the Spring Term.

A project development plan has been created by the Senior Management Team that considers where funds may need to be spent. The report uses current budget forecasts to prioritise projects over the next three financial years. This report will be shared and discussed with trustees on a regular basis.

Covid-19 will continue to be an important aspect of the next financial year and will be actively monitored by trustees and senior management.

Funds held as custodian trustee on behalf of others
There are no funds held as Custodian Trustee on behalf of others.

Auditor
Insofar as the trustees are aware:

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

Azets were awarded a tender contract in February 2020 for the provision of External Audit Services covering the statutory audit and certification of accounts, together with preparation of the statutory financial statements. This contract will run for a minimum of three years with consideration of extending the contract for a further two years subject to satisfactory performance and the agreement of both parties.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 November 2021 and signed on its behalf by:

S Wharton
Chair

BARNWELL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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

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 Barnwell Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met eight times during the 12 month period:

- 3x Termly meetings
- 1x Annual General Meeting
- 3x Audit, Risk and Finance Committee
- 1x Personnel Committee

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

Trustees	Meetings attended	Out of possible
A Emmerson (Accounting Officer)	8	8
D Hargrave	3	5
S Wharton (Chair)	8	8
N Procter	7	7
D J Scaman	6	7
K Bainbridge	7	7
A Hall	2	4

Governance reviews
The trust regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. The trust has employed the support of highly experienced individuals from three local authorities to act as a School Improvement Partner (SIP). The SIP consists of a current Ofsted inspector as well as educational advisors who support with school self-evaluation, monitoring standards, performance and governance.

During 2020/21, the trust was unable to recruit further trustees because of the pandemic. The Trust is still seeking a Human Resources expert and a highly experienced educationalist.

Persons with Significant Control (PSC)
During the period ending 31 August 2021, there were no persons with significant control.

Audit, Finance and Premises Committee
The Audit, Risk and Finance Committee is a sub-committee of the main board of trustees.

During the period ending 31 August 2021, the Chair of the Audit, Finance and Premises Committee continued to be Mrs N Procter due to her having an extensive financial background and chartered accountant status. There were no changes to the persons on the committee.

The committee's purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, to ensure the sound management of the Trust's finances, staffing and resources including proper planning, monitoring and probity. The committee also monitors the systems of internal control, audit arrangements for risk management and ensuring value for money.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
N Procter (Chair)	3	3
A Emmerson (Accounting Officer)	3	3
S Wharton	3	3
K Bainbridge	3	3
D Scaman	2	3
C Nellist (Associate Member)	3	3

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the 12-month period by:

- Effective project management of a new outdoor learning area for the pupils.
- Continued review of Service Level Agreements with the Business Manager to ensure they are fit for purpose and achieve value for money.
- Analysed all requested moderate to high-level spend had a strong rationale and was aligned to the school improvement plan prior to procurement.
- Received and analysed monthly financial reports (including the impact of Covid-19) and provided updates to trustees.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Barnwell Academy for the period 1st September 2020 to 31 August 2021 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 has been in place for the period 1st September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and continue to appoint Sunderland City Council as internal auditor.

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 governance arrangements
- testing of payroll systems
- testing of procurement systems and controls
- testing of income control and bank reconciliations

During the period ending 31st August 2021, the audit findings and subsequent reports provided substantial assurance that the Academy's controls and processes are robust. Four medium issues were identified which required management action. These were

- The Academy has a Terms of Reference for Financial Management which sets out the roles and responsibilities of the Full Governing Body. This document has however not been updated to reflect the fact that the audit committee function has been delegated to the Finance & Premises Committee, which has now been renamed as the Audit, Finance and Premises Committee. In addition, the Terms of Reference have not yet been updated to reflect the responsibilities of the Audit Committee function. The audit committee function is however set out in the Financial Procedures Manual. All roles and responsibilities should be clearly set out within both documents to ensure consistency and ensure that there are no conflicts
- There is limited evidence within the meeting minutes for the Audit, Finance and Premises Committee minutes that the Audit Committee role is being fulfilled. There is evidence within the minutes examined that the latest audit reports were tabled however the remit of the requirements that an Audit Committee should fulfil, as documented within Academies Financial Handbook, is wider than this
- Discussions with the Business Manager established that whilst Trustees and governors are kept fully informed of the Academy's financial position and spending plans in relation to objectives and significant projects, this is currently via a range of different reports and meetings. There is currently no central document which links together all of the Academy's goals and aspirations with the finances available and the prospective projects planned for the year ahead, including their anticipated costs.
- It was established, that the academy is now cashless regarding their income collection arrangements. Examination of their Financial Procedure Manual however established that this still reflects the previous income procedures whereby staff had responsibility for collection, reconciliation and banking of cash and cheque income.

All issues were accepted, and action plans agreed to mitigate the risk.

Review of effectiveness

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

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

Approved by order of the board of trustees on 18 November 2021 and signed on its behalf by:

A Emmerson
Accounting Officer

S Wharton
Chair

BARNWELL ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Barnwell Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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.

A Emmerson
Accounting Officer

18 November 2021

BARNWELL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Barnwell Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 18 November 2021 and signed on its behalf by:

S Wharton
Chair

BARNWELL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Barnwell Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

Azets Audit Services

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

29/11/2021

.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
United Kingdom
TS22 5TB

BARNWELL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 7 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnwell Academy Trust during the period 1 September 2020 to 31 August 2021 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 Barnwell Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Barnwell Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barnwell Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barnwell Academy Trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Barnwell Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant
Azets Audit Services

Dated: 29/11/2021

BARNWELL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	-	15,969	15,969	6,963
Charitable activities:						
- Funding for educational operations	5	13,095	1,354,406	-	1,367,501	1,335,013
Other trading activities	4	188,681	-	-	188,681	155,372
Investments	6	294	-	-	294	1,789
Total		202,070	1,354,406	15,969	1,572,445	1,499,137
Expenditure on:						
Raising funds	7	204,847	-	-	204,847	150,865
Charitable activities:						
- Educational operations	8	13,095	1,463,549	105,669	1,582,313	1,493,949
Total	7	217,942	1,463,549	105,669	1,787,160	1,644,814
Net expenditure		(15,872)	(109,143)	(89,700)	(214,715)	(145,677)
Transfers between funds	18	-	(101,572)	101,572	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(59,000)	-	(59,000)	(337,000)
Net movement in funds		(15,872)	(269,715)	11,872	(273,715)	(482,677)
Reconciliation of funds						
Total funds brought forward		226,585	(964,644)	3,302,045	2,563,986	3,046,663
Total funds carried forward		210,713	(1,234,359)	3,313,917	2,290,271	2,563,986

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	6,963	6,963
Charitable activities:					
- Funding for educational operations	5	14,554	1,320,459	-	1,335,013
Other trading activities	4	155,372	-	-	155,372
Investments	6	1,789	-	-	1,789
Total		171,715	1,320,459	6,963	1,499,137
Expenditure on:					
Raising funds	7	150,865	-	-	150,865
Charitable activities:					
- Educational operations	8	10,580	1,391,026	92,343	1,493,949
Total	7	161,445	1,391,026	92,343	1,644,814
Net income/(expenditure)		10,270	(70,567)	(85,380)	(145,677)
Transfers between funds	18	(4,480)	(42,542)	47,022	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(337,000)	-	(337,000)
Net movement in funds		5,790	(450,109)	(38,358)	(482,677)
Reconciliation of funds					
Total funds brought forward		220,795	(514,535)	3,340,403	3,046,663
Total funds carried forward		226,585	(964,644)	3,302,045	2,563,986

BARNWELL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	**12**		3,918		1,330
Tangible assets	**13**		3,316,443		3,308,332
			3,320,361		3,309,662
Current assets					
Debtors	**14**	56,640		69,744	
Cash at bank and in hand		629,108		682,134	
		685,748		751,878	
Current liabilities					
Creditors: amounts falling due within one year	**15**	(63,565)		(100,109)	
Net current assets			622,183		651,769
Total assets less current liabilities			3,942,544		3,961,431
Creditors: amounts falling due after more than one year	**16**		(5,273)		(6,445)
Net assets before defined benefit pension scheme liability			3,937,271		3,954,986
Defined benefit pension scheme liability	**20**		(1,647,000)		(1,391,000)
Total net assets			2,290,271		2,563,986
Funds of the academy trust:					
Restricted funds	**18**				
- Fixed asset funds			3,313,917		3,302,045
- Restricted income funds			412,641		426,356
- Pension reserve			(1,647,000)		(1,391,000)
Total restricted funds			2,079,558		2,337,401
Unrestricted income funds	**18**		210,713		226,585
Total funds			2,290,271		2,563,986

The accounts on pages 31 to 55 were approved by the trustees and authorised for issue on 18 November 2021 and are signed on their behalf by:

S Wharton
Chair

Company Number 08929065

BARNWELL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Net cash provided by operating activities	21		48,252		41,897
Cash flows from investing activities					
Dividends, interest and rents from investments		294		1,789	
Capital grants from DfE Group		6,969		6,963	
Capital funding received from sponsors and others		9,000		-	
Purchase of intangible fixed assets		(4,050)		-	
Purchase of tangible fixed assets		(112,319)		(61,601)	
Net cash used in investing activities			(100,106)		(52,849)
Cash flows from financing activities					
Repayment of other loan		(1,172)		(1,172)	
Net cash used in financing activities			(1,172)		(1,172)
Net decrease in cash and cash equivalents in the reporting period			(53,026)		(12,124)
Cash and cash equivalents at beginning of the year			682,134		694,258
Cash and cash equivalents at end of the year			629,108		682,134

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

1 Accounting policies **(Continued)**

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

1.6 Tangible fixed assets and depreciation

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

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

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

Leasehold land	125 years
Leasehold buildings	50 years
Leasehold improvements	50 years
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund.

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

1.7 Liabilities

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

1.8 Leased assets

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

1 Accounting policies **(Continued)**

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1 Accounting policies **(Continued)**

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2021. 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

Land and buildings

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The land and buildings are valued on the basis of valuations provided by the ESFA/local authority

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Capital grants	-	15,969	15,969	6,963

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lettings income	28,497	-	28,497	26,740
Catering income	647	-	647	1,544
Clubs and childcare income	136,329	-	136,329	104,691
Trips income	-	-	-	3,418
Other income	23,208	-	23,208	18,979
	188,681	-	188,681	155,372

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	871,249	871,249	861,148
Other DfE / ESFA grants:				
UIFSM	-	31,337	31,337	32,790
Pupil premium	-	88,564	88,564	81,305
Teachers pension grants	-	37,046	37,046	37,910
Teachers pay grants	-	13,111	13,111	13,416
PE and sports premium	-	17,780	17,780	17,760
Rates	-	5,683	5,683	5,631
Others	-	4,050	4,050	2,350
	-	1,068,820	1,068,820	1,052,310
Other government grants				
Local authority grants	-	261,910	261,910	268,149
Exceptional government funding				
Coronavirus job retention scheme grant	-	3,117	3,117	-
Covid 19 additional funding (DfE/ESFA)				
Catch up premium	-	20,559	20,559	-
	-	23,676	23,676	-
Other funding				
Catering income	13,095	-	13,095	11,354
Other incoming resources	-	-	-	3,200
	13,095	-	13,095	14,554
Total funding	13,095	1,354,406	1,367,501	1,335,013

5 Funding for the academy trust's educational operations **(Continued)**

The academy received £21k of funding for catch up premium and cost incurred in respect of this funding totalled £14k with the remaining £7k to be spent in 2021/22.

The academy furloughed some of its letting staff under the government CJRS. The funding of £3k relates to staff costs which are included in note 9 as appropriate.

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	294	-	294	1,789

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Non-pay expenditure Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	177,477	-	27,370	204,847	150,865
Academy's educational operations					
- Direct costs	775,751	-	104,848	880,599	869,848
- Allocated support costs	391,726	180,220	129,768	701,714	624,101
	1,344,954	180,220	261,986	1,787,160	1,644,814

Net income/(expenditure) for the year includes:	2021 £	2020 £
Fees payable to auditor for:		
- Audit	6,700	6,600
- Other services	2,100	2,100
- Fees payable to other auditors	2,335	2,220
Operating lease rentals	6,619	9,942
Depreciation of tangible fixed assets	104,208	90,893
Amortisation of intangible fixed assets	1,461	1,450
Net interest on defined benefit pension liability	23,000	16,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	-	880,599	880,599	869,848
Support costs				
Educational operations	13,095	688,619	701,714	624,101
	13,095	1,569,218	1,582,313	1,493,949

	2021 £	2020 £
Analysis of support costs		
Support staff costs	393,225	349,368
Depreciation and amortisation	105,669	92,343
Premises costs	74,551	83,914
Legal costs	500	571
Other support costs	111,848	81,722
Governance costs	15,921	16,183
	701,714	624,101

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	936,868	890,401
Social security costs	71,206	66,759
Pension costs	331,030	280,353
Staff costs - employees	1,339,104	1,237,513
Agency staff costs	5,850	10,731
	1,344,954	1,248,244
Staff development and other staff costs	7,530	9,586
Total staff expenditure	1,352,484	1,257,830

9 Staff (Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	14	16
Administration and support	26	28
Management	3	3
	43	47

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £225,108 (2020: £213,019).

10 Trustees' remuneration and expenses

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

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

D Smith (staff)
Remuneration £20,001 - £25,000 (2020: £20,001 - £25,000)
Employer's pension contributions £1 - £5,000 (2019: £1 - £5,000)

A Emmerson (headteacher)
Remuneration £70,001 - £75,000 (2020: £65,001 - £70,000)
Employer's pension contributions £15,001 - £20,000 (2020: £15,001 - £20,000)

11 Trustees' and officers' insurance

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

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2020	4,351
Additions	4,050
Disposals	(4,351)
At 31 August 2021	4,050
Amortisation	
At 1 September 2020	3,021
On disposals	(4,350)
Charge for year	1,461
At 31 August 2021	132
Carrying amount	
At 31 August 2021	3,918
At 31 August 2020	1,330

13 Tangible fixed assets

	Leasehold land	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2020	3,056,170	643,590	54,367	67,919	3,822,046
Additions	-	57,244	26,401	28,674	112,319
At 31 August 2021	3,056,170	700,834	80,768	96,593	3,934,365
Depreciation					
At 1 September 2020	409,139	26,685	48,693	29,197	513,714
Charge for the year	69,873	13,890	7,188	13,257	104,208
At 31 August 2021	479,012	40,575	55,881	42,454	617,922
Net book value					
At 31 August 2021	2,577,158	660,259	24,887	54,139	3,316,443
At 31 August 2020	2,647,031	616,905	5,674	38,722	3,308,332

14 Debtors

	2021	2020
	£	£
Trade debtors	3,490	3,518
VAT recoverable	13,653	3,624
Prepayments and accrued income	39,497	62,602
	56,640	69,744

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other loans	1,172	1,172
Other creditors	297	45,467
Accruals and deferred income	62,096	53,470
	63,565	100,109

16 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other loans	5,273	6,445

16 Creditors: amounts falling due after more than one year (Continued)

Analysis of loans	2021 £	2020 £
Wholly repayable within five years	6,445	7,617
Less: included in current liabilities	(1,172)	(1,172)
Amounts included above	5,273	6,445

Loan maturity		
Debt due in one year or less	1,172	1,172
Due in more than one year but not more than two years	1,172	1,172
Due in more than two years but not more than five years	2,929	3,516
Due in more than five years	-	1,757
	5,273	7,617

Included in other loans is a salix interest free loan, repayable by 2026.

17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	28,834	26,867
Deferred income at 1 September 2020	26,867	25,417
Released from previous years	(26,867)	(25,417)
Resources deferred in the year	28,834	26,867
Deferred income at 31 August 2021	28,834	26,867

Deferred income includes universal free school meals, daycare fees and rates relief funding received for the next academic year.

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	426,356	871,249	(796,112)	(101,572)	399,921
UIFSM	-	31,337	(31,337)	-	-
Pupil premium	-	88,564	(88,564)	-	-
Teachers pension grants	-	37,046	(37,046)	-	-
Teachers pay grants	-	13,111	(13,111)	-	-
PE and sports premium	-	17,780	(12,020)	-	5,760
Rates	-	5,683	(5,683)	-	-
Other DfE / ESFA grants	-	4,050	(4,050)	-	-
Covid 19 funding (DfE/ESFA)	-	20,559	(13,599)	-	6,960
Other government grants	-	265,027	(265,027)	-	-
Pension reserve	(1,391,000)	-	(197,000)	(59,000)	(1,647,000)
	(964,644)	1,354,406	(1,463,549)	(160,572)	(1,234,359)
Restricted fixed asset funds					
Inherited on conversion	2,768,621	-	(63,762)	-	2,704,859
DfE group capital grants	417,027	15,969	(27,593)	-	405,403
Capital expenditure from GAG	116,397	-	(14,314)	101,572	203,655
	3,302,045	15,969	(105,669)	101,572	3,313,917
Total restricted funds	2,337,401	1,370,375	(1,569,218)	(59,000)	2,079,558
Unrestricted funds					
General funds	226,585	202,070	(217,942)	-	210,713
Total funds	2,563,986	1,572,445	(1,787,160)	(59,000)	2,290,271

18 Funds **(Continued)**

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA grants includes PE grant, pupil premium, Covid catch up grants and universal free school meals funding.

Other government grants include CJRS claims and funding for pupils with special educational needs, early years funding, pupil premium and other grants from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent Devolved Formula Capital. This has been used on capital projects in the financial year. The trust also used GAG funding on capital assets, and this is represented by a funds transfer.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £623,354 at 31 August 2021.

18 Funds (Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	396,465	861,148	(788,715)	(42,542)	426,356
UIFSM	-	32,790	(32,790)	-	-
Pupil premium	-	81,305	(81,305)	-	-
Teachers pension grants	-	37,910	(37,910)	-	-
Teachers pay grants	-	13,416	(13,416)	-	-
PE and sports premium	-	17,760	(17,760)	-	-
Rates	-	5,631	(5,631)	-	-
Other DfE / ESFA grants	-	2,350	(2,350)	-	-
Other government grants	-	268,149	(268,149)	-	-
Pension reserve	(911,000)	-	(143,000)	(337,000)	(1,391,000)
	(514,535)	1,320,459	(1,391,026)	(379,542)	(964,644)
Restricted fixed asset funds					
Transfer on conversion	2,832,383	-	(63,762)	-	2,768,621
DfE group capital grants	431,646	6,963	(13,965)	(7,617)	417,027
Capital expenditure from GAG	76,374	-	(14,616)	54,639	116,397
	3,340,403	6,963	(92,343)	47,022	3,302,045
Total restricted funds	2,825,868	1,327,422	(1,483,369)	(332,520)	2,337,401
Unrestricted funds					
General funds	220,795	171,715	(161,445)	(4,480)	226,585
Total funds	3,046,663	1,499,137	(1,644,814)	(337,000)	2,563,986

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	3,918	3,918
Tangible fixed assets	-	-	3,316,443	3,316,443
Current assets	217,236	468,512	-	685,748
Creditors falling due within one year	(6,522)	(55,871)	(1,172)	(63,565)
Creditors falling due after one year	-	-	(5,273)	(5,273)
Defined benefit pension liability	-	(1,647,000)	-	(1,647,000)
Total net assets	210,714	(1,234,359)	3,313,916	2,290,271

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	-	-	1,330	1,330
Tangible fixed assets	-	-	3,308,332	3,308,332
Current assets	232,087	519,791	-	751,878
Creditors falling due within one year	(5,502)	(93,435)	(1,172)	(100,109)
Creditors falling due after one year	-	-	(6,445)	(6,445)
Defined benefit pension liability	-	(1,391,000)	-	(1,391,000)
Total net assets	226,585	(964,644)	3,302,045	2,563,986

20 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

20 Pension and similar obligations **(Continued)**

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £95,427 (2020: £89,558).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.4 to 16.7% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	**2021**	**2020**
	£	**£**
Employer's contributions	85,000	77,000
Employees' contributions	30,000	27,000
Total contributions	115,000	104,000

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.1	3.7
Rate of increase for pensions in payment/inflation	2.6	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.2

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	25.1	25.0
Retiring in 20 years		
- Males	23.6	23.5
- Females	26.9	26.8

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

	2021 £	2020 £
Discount rate + 0.1%	3,802,000	3,114,000
Discount rate - 0.1%	4,025,000	3,297,000
Mortality assumption + 1 year	3,767,000	3,092,000
Mortality assumption - 1 year	4,061,000	3,319,000
CPI rate + 0.1%	4,010,000	3,284,000
CPI rate - 0.1%	3,818,000	3,127,000

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	1,259,340	969,955
Government bonds	47,565	43,512
Corporate bonds	455,265	415,177
Cash	90,600	34,447
Property	181,200	166,796
Other assets	231,030	183,113
Total market value of assets	2,265,000	1,813,000

The actual return on scheme assets was £356,000 (2020: £(1,000)).

20 Pension and similar obligations **(Continued)**

Amount recognised in the statement of financial activities	**2021**	**2020**
	£	**£**
Current service cost	259,000	204,000
Interest income	(32,000)	(34,000)
Interest cost	55,000	50,000
Total operating charge	282,000	220,000

Changes in the present value of defined benefit obligations	**2021**	**2020**
	£	**£**
At 1 September 2020	3,204,000	2,637,000
Current service cost	259,000	204,000
Interest cost	55,000	50,000
Employee contributions	30,000	27,000
Actuarial loss	383,000	302,000
Benefits paid	(19,000)	(16,000)
At 31 August 2021	3,912,000	3,204,000

Changes in the fair value of the academy trust's share of scheme assets	**2021**	**2020**
	£	**£**
At 1 September 2020	1,813,000	1,726,000
Interest income	32,000	34,000
Actuarial (gain)/loss	324,000	(35,000)
Employer contributions	85,000	77,000
Employee contributions	30,000	27,000
Benefits paid	(19,000)	(16,000)
At 31 August 2021	2,265,000	1,813,000

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(214,715)	(253,184)
Adjusted for:		
Capital grants from DfE and other capital income	(15,969)	(6,963)
Investment income receivable	(294)	(1,789)
Defined benefit pension costs less contributions payable	174,000	127,000
Defined benefit pension scheme finance cost	23,000	16,000
Depreciation of tangible fixed assets	104,209	90,893
Amortisation of intangible fixed assets	1,461	1,450
Decrease in debtors	13,104	42,627
(Decrease) in creditors	(36,544)	(81,644)
Net cash provided by/(used in) operating activities	48,252	(65,610)

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	682,134	(53,026)	629,108
Loans falling due within one year	(1,172)	-	(1,172)
Loans falling due after more than one year	(6,445)	1,172	(5,273)
	674,517	(51,854)	622,663

23 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	924	10,030
Amounts due in two and five years	-	924
	924	10,954

24 Capital commitments

	2021	2020
	£	£
Expenditure contracted for but not provided in the accounts	4,230	2,362

25 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

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