Company Registration Number: 09250922 (England & Wales)

SPARKEN HILL ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Cutts P Gawthorpe (resigned 1 September 2021) L Holmes (resigned 1 September 2021) J Shephard (appointed 1 September 2021) F Walker (appointed 1 September 2021) D Gough (appointed 1 September 2021)
Trustees	P Gawthorpe, Chair of Trustees
Trustees	M Cutts J Shephard (resigned 1 September 2021) C Middleton S Sparks D Carter L Hazelhurst L Holmes U Flower, Staff Trustee E Rodgers, Staff Trustee R Lilley, Principal
Company registered number	09250922
Company name	Sparken Hill Academy Trust
Principal and registered office	Sparken Hill Worksop Notts S80 1AW
Company secretary	V Dashper
Principal & Accounting Officer	R Lilley
Senior management team	R Lilley, Principal D Moore, Vice Principal (to 31 December 2020) E Rodgers, Vice Principal L Holmes, Director of Finance and Personnel

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Notts NG23 5JR
Bankers	Lloyds Bank plc 65-67 Bridge Street Worksop Notts S80 1DH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 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 trust operates an academy for pupils aged 3 to 11 serving a catchment area in north Worksop. It has a pupil capacity of 575 and had a roll of 549 in the school census on 1 October 2020.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Sparken Hill Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sparken Hill Academy Trust.

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

Members' liability

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

Trustees' indemnities

Sparken Hill Academy Trust has procured indemnity insurance from the Department for Education (DfE) under the Risk Protection Arrangement (RPA) to cover the liability of trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: provided that any such insurance shall not extend to (i) any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust. Further, this Article does not authorise a Governor to benefit from any indemnity insurance that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

The insurance provides cover up to £10,000,000 for each and every loss.

Structure, governance and management (continued)

Method of recruitment and appointment or election of Trustees

The Academy was formed in 2014; operating as per the Articles of Association that were relevant at that time. However, following several revisions to standard Articles of association and further revisions to the Schools Financial Handbook (now the Academies Handbook), the overarching Governance of the Trust was found to be in breach of ‘strongly recommended’ elements; specifically Trustees only met 3 times per year as a Full Governing Body and there was insufficient separation between Members and Trustees (as our three founding members were also members of the local Governance Board).

As such, the Academy trustees committed to review these audit recommendations in order to ensure greater compliance. A working party successfully proposed significant revisions to overall Governance including the recommendations from Audit in order that the Academy moves towards being more compliant with the latest Articles of Association and Academies Handbook.

The number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint up to 1 trustee, the Governing body may appoint staff trustees through such process as they determine. The total number of trustees (including the Principal) who are employees of the Academy Trust shall not exceed one third of the total number of trustees.

Parent trustees shall be elected by parents of registered pupils at the Academy. A parent trustee must be a parent of a pupil at the Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of parent trustees which is contested shall be held by secret ballot.

The arrangements made for the election of a parent trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a parent trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of parent trustees required shall be made up by parent trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a parent trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The community trustees may be appointed by the Governing Body provided that the person who is appointed as a community trustee is: a person who lives or works in the community served by the Academy; or a person who, in the opinion of the Governing Body is committed to the government and success of the Academy.

The trustees may not appoint an employee of the Academy Trust as a community trustee if the number of trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of trustees.

Structure, governance and management (continued)

The partnership trustees may be appointed by the Governing Body. The trustees may not appoint an employee of the Academy Trust as a partnership trustee if the number of trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of trustees.

The trustees may appoint up to 3 Co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the Academy Trust as a co-opted trustee if thereby the number of trustees who are employees of the Academy Trust would exceed one third of the total number of trustees (including the Principal).

Policies adopted for the induction and training of Trustees

Following appointment, election or co-option, new trustees are given a tour of the academy and the chance to meet staff and pupils, they will meet other trustees at full board meetings and will be given access to minutes of past governor meetings along with copies of policies, procedures, accounts, budget plans and any other documents that they will require to undertake their role as a trustee. The Chair and Principal have responsibility for induction and training however this will be coordinated by the link trustee for training.

Due to Covid 19 governors appointed during the period of pandemic were unable to attend the academy in person due to restrictions and the safety of themselves and others, however they were able to attend remotely and undertake online training available to them. Visits in person to the academy were delayed until September 2021.

Structure, governance and management (continued)

Organisational structure

The Academy has defined the responsibilities of each person involved in the administration of the Academy's finances to avoid duplication or omission of functions and to provide a framework of accountability for trustees & staff. The financial reporting structure is as illustrated below.

The Board has overall responsibility and ultimate decision making authority for all the work of the Trust, including business planning and monitoring of budgets. The main responsibilities for the Board are prescribed in the funding agreement between the academy and the ESFA and in the Academy's scheme of government.

Accounting Officer
The Principal has a role, under trustees guidance, the trusts overall a management and staffing, however, their appointment as Accounting Officer confers specific responsibilities for financial matters. The accounting Officer is personally responsible to Parliament and to the accounting officer for the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Board of Trustees
The board of trustees will maintain a role in determining the educational and financial priorities of the academy, ensuring that the financial resources delegated to it are used effectively and that adequate controls are maintained over these.

Finance Committee
In order to assist the board of trustees, the responsibilities (as agreed in the School Trustees Decision Planner) have been delegated to the Finance Committee.

Principal
To ensure that the sound systems of internal control are in place and are implemented. To ensure that the financial administration of the academy operates in accordance with the Finance Policy. In the absence of the Principal, responsibilities outlined below will be delegated to the Vice Principal.

Chief Financial Officer/Academy Business Manager
The Accounting Officer is accountable for the trusts financial affairs, but the delivery of the detailed accounting processes will be delegated to the Chief Financial Officer/Academy Business Manager. The Chief Financial Officer will work closely with the Principal to ensure that the sound systems of internal control are in place and are implemented. To ensure that the day today financial administration of the Trust and each Academy operates in accordance with the trust Finance Policy.

Finance/Administration Team
To implement the finance policy and procedures agreed by the trust and to process financial transactions and activities in line with these. To maintain the academy's accounting system and to monitor the budget on a day to day basis. To work closely with the Chief Financial Officer and provide reports as required.

Cost Centre Budget Holders
To undertake the effective and efficient management of and to remain accountable for, the resources delegated to them by the board of trustees/Principal.

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

At the end of the annual appraisal period the initial assessment of appraisal outcomes for the Principal will be made by an identified group of three Appraisal trustees advised as appropriate by the appointed external adviser and will contain a recommendation on pay progression.

Final decisions about whether or not to ratify a pay progression recommendation will be made by the Finance and Personnel Committee of the Trustees, having regard to the appraisal report, assessment against the relevant Leadership and Teachers' Standards, advice provided by the external adviser and relevant benchmarking information. The recommendation for pay progression will be supported by sufficient information to enable the Finance and Personnel Committee to carefully consider the recommendation. The Principal's Appraisal Trustees, supported by the advice/recommendation of the external adviser, will be responsible for advising the appropriate committee of the Trustees on its decisions.

Related parties and other connected charities and organisations

Sparken Hill Academy operates as the base of operations for the Bassetlaw Primary Behaviour Partnership Ltd (BPBP). BPBP lease a room within the Academy under a Service Level Agreement.

BPBP is a registered company (Company Number 10073212) based at Sparken Hill Academy in Worksop under the Directorship of Mr Richard Lilley (Principal at Sparken Hill Academy). This is a “without gain” role.

The local authority devolves annual funding (approx. £112,700) to the partnership to support 54 primary schools in the local area. These funds are held in a separate company bank account and do not form part of Sparken Hill Academy Trust budget.

In line with the academies financial handbook Sparken Hill Academy records Related Party Transactions using the online reporting tool to the ESFA and records these in the Academy Trust Related Parties Register, this is reviewed by Governors throughout the accounting period.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is set out in the Articles of Association. In summary it is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. Also to promote for the benefit of individuals living in Worksop and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives and activities (continued)

Objectives, strategies and activities

The aim of our academy is for all children to achieve the highest standards of attainment within the school’s ethos of a total commitment to the practice and principles of equal opportunities.

Children and adults of Sparken Hill Academy have equal access to every aspect of school life regardless of race, gender, sexual orientation, transgender, religion, ability or special need.

Every person is valued and discrimination is challenged. The academy remains committed to the “Every Child Matters” framework and works within the Extended School’s ethos.

At Sparken Hill Academy, we aim to support our learners to:

1. Become independent learners who enjoy school and achieve their potential.
2. Become confident in basic skills to promote their future economic wellbeing.
3. Grow into confident and responsible children who make a positive contribution to the school and community.
4. Make sensible choices leading to a healthy lifestyle.
5. Learn how to stay safe.

Sparken Hill Academy aspires to:

1. Develop appropriate skills for a rapidly changing and increasingly technological world.
2. Listen to children’s views and encourage them to take responsibility.
3. Extend learning beyond the classroom and out of school hours.
4. Give everyone the opportunity to succeed.
5. Involve parents in the education of their children.
6. Develop close links with our community and beyond.

It is extremely important that we consider the educational and emotional impact of Covid-19 on our pupils. The Covid-19 pandemic has led to school closures across the UK which has resulted in the majority of pupils missing substantial learning in school, though supported and taught in various ways. It is likely that school closures will lead to slower rates of learning, perhaps learning loss, and there is a risk that the negative impact will be worse for pupils who are economically disadvantaged.

We have focused on supporting those pupils most effected by the pandemic; because they have not been able to attend school during the ‘lockdown’ or because they struggled to adjust to the changes made to the school day resulting from the pandemic.

Sparken Hill Academy augmented the Government provided ICT devices with school purchased iPads to be utilised in school and then taken home to families who do not have home devices and whose children are therefore missing out on learning. This was because the lack of technology was the single most influential factor during lockdown. The impact of this is that all KS2 pupils at Sparken Hill now have access to a 1-1 iPad and KS1/FS have (on average) 1 between 2. We used a range of approaches to collect, collate and analyse data on pupil progress, including measuring the impact of the above interventions on attainment through Annual Reviews and attainment level progress.

Furthermore, the Academy is actively pursuing external tutoring opportunities in order to ensure that pupils who have lost learning can make accelerated learning to catch up to pre-covid levels.

Objectives and activities (continued)

Public benefit

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

Achievements and performance

The Academy continued to operate (with a robust system for ensuring safety and clear control measures/risk assessments) throughout the subsequent lockdowns. Sparken Hill maintained Key Worker provision for pupils at school and, following significant planned expenditure (coupled with Catch-Up Funding and linking to the DfE Laptops to Schools initiative), provided iPads to all KS2 pupils within school. This followed a critical appraisal of the major barriers to progress and attainment following the first national lockdown where it was concluded that the lack of technology at home was the single most detrimental factor to accessing remote learning activities and Google Classroom.

Furthermore, the Academy also prioritised expenditure around online subscription services particularly related to Maths and Literacy. One such investment was the expansion of our Accelerated Reader scheme to include MyOn – an interactive digital library with more than 5400 titles, across all age ranges. This investment (coupled with increased ICT device investment) ensured that the drop in attainment in Reading was less acute during the second year of disruption as all pupils were able to access good quality texts and school staff were able to access quality pupil level data demonstrating relative progress. This element was a major factor in the learning lost during the first lockdown as many pupils did not have access to texts to read whilst at home.

Our Community Team was invaluable in maintaining regular contact with our ‘at-risk’ or ‘vulnerable’ families. This was widely appreciated as it meant that the full impact of lockdown was effectively mitigated by tangible school support.

Once the wider reopening of schools was possible, the Academy prioritised committing to a wide-ranging curriculum as soon as was practicable. The Academy implemented all relevant guidance relating to a wider re-opening of schools and consequently, all children returned to FT education. The full impact assessment of the ‘cost’ of Covid remains an ongoing activity. Teacher Assessment Capacity assessments have taken place during the first term in order to ascertain the impact of the lock down and a programme of work to remediate any gaps will be implemented.

The Academy has also taken full advantage of Government Funding to augment investment in a Maths Mastery approach during 2020. This will go live in September 2021. In addition, the Academy has adopted Pearson Phonics Bug (one of the DfE recommended providers) as its approach to Phonics. Again this will go live in the Autumn term 2021.

Key performance indicators

Due to the implications of Covid19, external statutory assessments did not take place for the second year running. Therefore external data for the last period is unavailable.

Achievements and performance (continued)

Going concern

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

Financial review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Trust also receives a significant amount of funding from Nottinghamshire County Council, its local authority.

During the year, the total income being recurrent and other grant funding from the ESFA and other incoming resources were less than total expenditure. The excess of expenditure over income for the period was £457,458. Excluding the costs relating to the restatement of the LGPS deficit, the excess of expenditure over income was £149,458.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently, in common with other Trusts, the Trust balance sheet shows a net liability of £4,966,000.

The Trust held fund balances at 31 August 2021 of £3,713,314, comprising £34,144 of restricted funds, a fixed asset reserve of £8,248,207, a pension reserve deficit of £4,966,000 and £396,963 of unrestricted general funds.

Reserves policy

The Academy Directors/Trustees consider the level of reserves the academy holds. Levels of reserves which are too high tie up money which should be spent on current academy activities. Levels of reserves which are too low may put the future activities of the academy at risk.

The academy's reserves policy:

- Assists in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

During the financial year the trustees identify:

- When reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken.
- When reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken.
- Where the reserves level is below target, and considers whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves.

Development of the academy's reserves policy

When considering an appropriate level of reserves, the trustees consider:

- The risk of unforeseen emergency or other unexpected need for funds.
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence.
- A fall in a source of income, such as lettings.
- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received.
- The financial risks identified determine the amount of reserves the academy targets to hold.
- In-year reports to trustees:
    - Compare the amount of reserves held with the target amount or target range set for reserves.
    - Explain any shortfall or excess in reserves against target set.
    - Explain any action being taken or planned to bring reserves into line with target.

The reserves situation is kept under constant review as part of monthly cashflow analysis and the current level of reserves is considered sufficient for the trust's requirements. The Trustees review the reserves annually taking into consideration known monthly expenditure. The trustees have agreed that an appropriate level of reserves should be sufficient to cover 1 to 2 months salaries (£152,000 min to £304,000 maximum). In addition the monthly expenditure on catering provisions, energy costs and urgent maintenance works are considered when setting the reserves level.

At 31 August 2021, free reserves held amount to £396,963 and restricted general funds amount to £34,144. The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £8,248,207. The pension fund is in deficit by £4,966,000.

Total funds at 31 August 2021 amount to £3,713,314, and the balance on restricted general funds plus unrestricted general funds at 31 August 2021 results on a net surplus of £431,107.

Investment policy

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the schools current account to cover financial commitments such as payroll and day to day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus can be invested.

Funds should be invested in tranches of up to £25,000. It may be beneficial to invest each tranche with a different financial institution. Funds, and any interest they earn, will be automatically be reinvested, unless they are required for immediate or anticipated expenditure

Principal risks and uncertainties

A risk register has been compiled and identifies the main risks that the academy is exposed to. For each of these risks the impact & seriousness have been considered together with appropriate action and management plans. The risk register will undergo a full review annually although monitored regularly to avoid further or unknown risks.

Financial risks are considered as part of this process, the academy is largely reliant on continued government funding through the Education Funding Agency (ESFA) and also the Local Authority (LA). The grant issued from the ESFA is received monthly in advance, cash flow monitoring is undertaken to ensure sufficient funds are available to maintain staffing, resources and compliance.

A detailed Covid 19 risk assessment is held separately; this has been reviewed and updated as move through the varying periods of the pandemic. The risk assessment remains a live document.
The academy encountered a shortfall in self-generated funds due to Covid 19, this was due to external lettings of the premises not being able to take place and limited fundraising events.

The academy experienced exceptional staff absences during the academic year. Some of these could be attributed to Covid 19 self-isolation and pending PCR test results. In addition, some absences were as a result of dependents who were self-isolating and needed caring for. In these circumstances, the Academy was unable to recoup any insurance recompense. Absence were covered either internally where practicable and by external agency staff where this could not be covered internally.

Risk Management

Risk management is incorporated within the internal controls of the academy; Measures to control risks are taken at various levels within the academy structure and an integral part of the Management and Senior Leadership responsibility.

A risk management procedure assesses the likelihood of an event happening and assesses the impact of that event on the functioning of the academy if it were to happen.

The academy trust board of trustees has overall responsibility for risk management, risk assessment is included in the remit of the Finance & General Purpose committee and this is formally reviewed and reported to the trustees, the risk register is updated upon identification of any new risks with actions required.

Financial and Risk Management Objectives and Policies

Financial risk management is incorporated in the risk assessment process and included in Sparken Hill Academy Trust risk register, considering income, expenditure and financial control as well as other associated financial risks that come with other operational & reputational risks.

Financial risk management within the academy is directed by policies and guidance approved by the ESFA and board of trustees, this includes the following:

- Academies Financial Handbook
- Finance Policy
- Risk Management Policy inc Risk Register
- Health & Safety Policy
- Academy Emergency Plan
- Data Protection & GDPR
- Covid 19 Risk Assessment

Fundraising

Sparken Hill Academy Trust commit to fundraising events throughout the year. These are for external charities (national and local) as well as internal fundraising events for academy equipment that benefits the students their families and community.

However due to Covid 19 there was limited opportunity to undertake fundraising events during the period of 1 September 2020 to 31 August 2021. It was necessary due to Covid 19 control measures for the academy to become cashless wherever possible therefore future fundraising events are likely to be managed differently, where possible these will be cashless however where this is not practicable control measures to manage the risk of monies being transferred will be implemented.

Sparken Hill Academy Trust adheres to the 6 principles of Charity Fundraising published in a guide for trustee duties as listed below:

- Planning Effectively
- Supervising the fundraisers
- Protecting reputation, money and other assets
- Identifying and ensuring compliance with the laws or regulations that apply specifically to the fundraising
- Identifying and following any recognised standards that apply to fundraising
- Being open and accountable

Fundraising events would usually consist of non-uniform days, Fayres, Coffee mornings and Sponsored events, the academy monitors the number of fundraising events to ensure stakeholders do not feel under frequent pressure to donate.

SLT discuss strategic fundraising activities across the year in order that charity requests are not overly demanding. Each key stage will nominate their chosen charity for any fundraising they may undertake.

We also agree one charity as a family of local schools to support per year as a collective. Pupils are not excluded from charity fundraising events if they are unable to contribute.
School council are delegated responsibility with ideas for fundraising events, particularly where the fundraising is directed towards the Academy.

The academy does not use any external fundraisers; all fundraising during the year is monitored by the Trustees.

Proposals are agreed /ratified by SLT and where necessary, the Governing Body/Trustees.

Plans for future periods

As the academy is of a stand-alone status (including foundation status), the board of trustees continue to consider strategic options including the potential benefits of establishing a MAT to expand the trust. However, they are also keen to retain the unique features of the school that are congruent with having SAT status.

Educational outcomes within the academy have demonstrated trends of improvement and we continually aspire to become ‘outstanding’. The lack of external statutory assessments in 2020 and 2021 due to Covid19 means that the value added/historic data trends have been adversely affected. These were predicted to be wholly positive as the corresponding KS1 results were exceptionally low but internal data suggested strong progress across KS2.

Post Ofsted actions include more rigorous monitoring of non-core subjects by middle leaders and reviewing opportunities for independent challenge in KS1. These remain embedded in the current SIP this year. There has also been a change in leadership within some planning teams (including KS1) with extensive progress being realised as a result.

In addition, the Academy will continue to focus on Curriculum developments and monitoring to ensure compliance with the latest Ofsted framework and meet the needs of our children. This now includes significant investment (monetary and time) in ‘blended’ learning opportunities to mitigate the impact of home learning due to the pandemic.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 10 December 2021 and signed on its behalf by:

....
P Gawthorpe
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sparken Hill 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 and its committees met 9 times during the year. The full board of Trustees has formally met 3 times during the year with the sub-committees meeting in addition to this to ensure effective oversight of funds. Pre – Covid 19, trustees would usually undertake regular monitoring visits throughout the year within the academy and meet with key personnel. Due to Covid 19 control measures there have been limited opportunities for this, however these will re-commence from September 2021 The business manager shares monthly management accounts with the chair, variance to budgets, income and expenditure are identified and discussed at the meetings.

All meetings have been a mixture of virtual and in person as we have moved through the year to ensure Covid 19 guidance was adhered. Attendance at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Gawthorpe, Chair of Trustees	2	3
M Cutts	3	3
J Shephard	3	3
C Middleton	3	3
S Sparks	3	3
D Carter	3	3
L Hazelhurst	3	3
L Holmes	2	3
U Flower, Staff Trustee	2	3
E Rodgers, Staff Trustee	3	3
R Lilley, Principal	3	3

As part of governing body effectiveness reviews, an annual skills audit is undertaken by the Principal to the Governing Body. Should there be any significant changes to the governing body, commissioning of an external NCTL will be considered.

The audit for the year ended 31 August 2020 highlighted some variances to the academies financial handbook regarding the management structure of trusts. The Structure was based on the articles of association that was recommended to the academy upon conversion in November 2014. Therefore, a working party was formed and a review of the structure to address the variances was undertaken. Trustees approved a revised members resolution. From September 2021 Sparken Hill Academy Trust operates under the revised recommended articles of association for stand-alone academies and as such this is compliant with the Academy Handbook of June 2021.

In addition to the above the number of meetings and committees was also reviewed to enable the Full Governing Body to meet formally 6 times during the year. This was approved by the trustees and will commence from September 2021.

Governor training is monitored and reviewed by the governor training coordinator and discussed at relevant meetings.

Governance (continued)

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Holmes	2	4
M Cutts	2	4
P Gawthorpe	3	4
D Carter	4	4
J Shephard	3	4
L Hazelhurst	3	4
C Middleton	3	4
U Flower	4	4
E Rodgers	4	4
R Lilley	4	4

The Audit Committee is also a sub-committee of the main board of Trustees. Its purpose is to consider all implications of internal and external audit and to action all relevant recommendations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Gawthorpe	1	2
M Cutts	1	2
J Shephard	1	2
L Hazelhurst	0	0
L Holmes	2	2
D Carter	1	2
C Middleton	2	2
R Lilley (guest)	2	2

Review of value for money

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

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

- Ensured that 3 quotes to consider best value re suppliers
- Selective tendering from at least three recognised sources known to be suppliers of goods/service in question
- Open competitive tendering process
- Continue to commission a skilled finance consultant to support with a specific tender
- Considered and sought out references from other educational settings regarding the effectiveness of suppliers
- Negotiated specific discount rates for specified suppliers
- Outsourced 'non-LA' service providers based on cost and service provision.

The Academy has relatively high levels of deprivation, which is reflected by a similarly relatively large Pupil Premium annual allocation. The Accounting Officer regularly undertakes reviews of this expenditure ensuring that it reflects good value for money that is related to both pupil outcomes – both educationally and socially. In particular, the last couple of years have obligated a more significant review of this expenditure to ensure that expenditure is tightly correlated with effective Catch up initiatives – including research from FFT / EEF.

The Academy has a reputation for outstanding practice in PE provision. We benefit from a specialist FT teacher of PE and coordinated by a member of staff who is also YST Ambassador for the North of the Country. Sports Premium funding is monitored closely within the Academy by both the Accounting Officer and PE coordinator and this expenditure is tightly aligned with the recommended guidelines. It is also augmented by School Budget expenditure to ensure that the school is exceptionally well resourced with physical equipment and lessons delivered by specialist coaches (internal and external).

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sparken Hill Academy Trust for the year 1 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 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's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

A full review of the risk management policy has been carried out and updated to reflect current risks, a Covid risk assessment is held separately as a live document and updated as we transition through the phases of the pandemic.

The risk and control framework

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

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

The Board of Trustees has decided to employ Mrs Vickie Lievesley as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. The audit programme used is recommended by the Association of School and College Leaders (ASCL) as the basic framework and adopted by the governors 2019-2020.

There were three internal audits for 2020-21, In particular, the checks carried out in the current period included:

- Audit Framework
- Budget Planning, Monitoring and Reporting
- Financial Oversight
- Governance
- Risk Management
- Payroll
- Assets
- Leases
- Purchasing
- Income
- Cash & Control
- Catering
- Lettings

The risk and control framework (continued)

On a termly basis, the internal auditor reports to the board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Due to circumstances beyond our control only two internal audits were performed during the year however the two audits undertaken covered all areas of the framework. From September 2021 termly internal audits will resume.

The internal audit summary report confirmed the following:

Sparken Hill Academy has robust financial controls in place which ensure the academies resources are managed in an efficient, economical and effective manner. The few recommendations that were made over the 2020/21 financial year were mostly implemented promptly. There are two outstanding recommendations that have not been fully implemented due to Covid restrictions but this is to be actioned by the end of the autumn term 2021. Governors can be reassured that the finance department work together well to help establish and strengthen the existing controls to mitigate any potential risks to the academies operations.

Review of effectiveness

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

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

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

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

....	....
P Gawthorpe	**R Lilley**
Chair of Trustees	Accounting Officer

Date: 10 December 2021

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

....
R Lilley
Accounting Officer

Date: 10 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

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

....
P Gawthorpe
Chair of Trustees

Date: 10 December 2021

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SPARKEN HILL ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SPARKEN HILL ACADEMY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with Trustees and other management, and from our commercial knowledge and experience of the Trust and education sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Companies Act 2006, the Academies Financial Handbook 2020, the Academies Accounts Direction, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety and safeguarding legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to allocation and accurate recognition;
- agreed a sample of employees on the Trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SPARKEN HILL ACADEMY TRUST (CONTINUED)

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports for any indication of breaches of laws and regulations;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the Trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Mark Bradshaw (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Windsor House
A1 Business Park at
Long Bennington
Notts
NG23 5JR

14 December 2021

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

In accordance with the terms of our engagement letter dated 21 March 2019 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 Sparken Hill Academy Trust during the year 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 Sparken Hill Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sparken Hill 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 Sparken Hill Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sparken Hill Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sparken Hill Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 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 year 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the Trust's systems and controls and confirmation of the operation and effectiveness during the year;
- a review of expenditure to confirm the appropriateness and value for money; and
- a review of connected party arrangements, transactions and balances.

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Mark Bradshaw (Senior statutory auditor)
Streets Audit LLP

Windsor House
A1 Business Park at
Long Bennington
Notts
NG23 5JR

Date: 14 December 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:						
Donations and capital grants	3	**-**	**-**	**10,242**	**10,242**	*9,812*
Charitable activities		**55,855**	**3,142,803**	**-**	**3,198,658**	*3,003,190*
Other trading activities		**13,774**	**-**	**-**	**13,774**	*17,774*
Investments	6	**49**	**-**	**-**	**49**	*237*
Total income		**69,678**	**3,142,803**	**10,242**	**3,222,723**	*3,031,013*
Expenditure on:						
Charitable activities		**88,971**	**3,393,193**	**198,017**	**3,680,181**	*3,513,358*
Total expenditure		**88,971**	**3,393,193**	**198,017**	**3,680,181**	*3,513,358*
Net expenditure		**(19,293)**	**(250,390)**	**(187,775)**	**(457,458)**	*(482,345)*
Transfers between funds	17	**-**	**(54,655)**	**54,655**	**-**	*-*
Net movement in funds before other recognised gains/(losses)		**(19,293)**	**(305,045)**	**(133,120)**	**(457,458)**	*(482,345)*
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	**-**	**(753,000)**	**-**	**(753,000)**	*(936,000)*
Net movement in funds		**(19,293)**	**(1,058,045)**	**(133,120)**	**(1,210,458)**	*(1,418,345)*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Reconciliation of funds:						
Total funds brought forward		**416,256**	**(3,873,811)**	**8,381,327**	**4,923,772**	*6,342,117*
Net movement in funds		**(19,293)**	**(1,058,045)**	**(133,120)**	**(1,210,458)**	*(1,418,345)*
Total funds carried forward		**396,963**	**(4,931,856)**	**8,248,207**	**3,713,314**	*4,923,772*

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 60 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	13		**8,333,047**		*8,481,466*
			8,333,047		*8,481,466*
Current assets					
Stocks	14	**18,627**		*9,002*	
Debtors	15	**93,043**		*179,570*	
Cash at bank and in hand		**505,380**		*448,740*	
		617,050		*637,312*	
Creditors: amounts falling due within one year	16	**(270,783)**		*(290,006)*	
Net current assets			**346,267**		*347,306*
Total assets less current liabilities			**8,679,314**		*8,828,772*
Net assets excluding pension liability			**8,679,314**		*8,828,772*
Defined benefit pension scheme liability	23		**(4,966,000)**		*(3,905,000)*
Total net assets			**3,713,314**		*4,923,772*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note		2021 £		*2020 £*
Funds of the academy					
Restricted funds:					
Fixed asset funds	17	**8,248,207**		*8,381,327*	
Restricted income funds	17	**34,144**		*31,189*	
Restricted funds excluding pension asset	17	**8,282,351**		*8,412,516*	
Pension reserve	17	**(4,966,000)**		*(3,905,000)*	
Total restricted funds	17		**3,316,351**		*4,507,516*
Unrestricted income funds	17		**396,963**		*416,256*
Total funds			**3,713,314**		*4,923,772*

The financial statements on pages 30 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

....
P Gawthorpe
Chair of Trustees

Date: 10 December 2021

The notes on pages 35 to 60 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	**132,967**	*(6,587)*
Cash flows from investing activities	20	**(76,327)**	*(54,177)*
Change in cash and cash equivalents in the year		**56,640**	*(60,764)*
Cash and cash equivalents at the beginning of the year		**448,740**	*509,504*
Cash and cash equivalents at the end of the year	21, 22	**505,380**	*448,740*

The notes on pages 35 to 60 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Sparken Hill Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line (buildings only)
Furniture and equipment	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 20% straight line

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

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

1. Accounting policies (continued)

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 23, 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.

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

Critical areas of judgment:

There are no judgements that the trustees have made in the process of applying the entity's accounting policies that have made a significant effect on the amounts recognised in the financial statements.

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	**Total funds 2021 £**
Capital Grants	10,242	**10,242**

	Restricted fixed asset funds 2020 £	*Total funds 2020 £*
Capital Grants	*9,812*	*9,812*

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
General Annual Grant (GAG)	-	2,246,113	**2,246,113**
Other DfE/ESFA grants			
Pupil premium	-	307,145	**307,145**
UIFSM	-	60,911	**60,911**
Teachers pay and pension grants	-	101,722	**101,722**
Others	-	34,858	**34,858**
	-	2,750,749	**2,750,749**
Other Government grants			
Local Authority grants	-	293,900	**293,900**
	-	293,900	**293,900**
Other income from the academy's educational operations	55,855	43,979	**99,834**
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	-	40,320	**40,320**
Other covid-19 grants	-	13,855	**13,855**
	-	54,175	**54,175**
Total 2021	55,855	3,142,803	**3,198,658**

4. Funding for the academy's educational operations (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
General Annual Grant (GAG)	-	2,068,505	2,068,505
Other DfE/ESFA grants			
Pupil premium	-	297,896	297,896
UIFSM	-	57,466	57,466
Teachers pay and pension grants	-	99,233	99,233
Others	-	51,366	51,366
	-	2,574,466	2,574,466
Other Government grants			
Local Authority grants	-	272,198	272,198
	-	272,198	272,198
Other income from the academy's educational operations	60,869	26,109	86,978
COVID-19 additional funding (DfE/ESFA)			
Other covid-19 grants	-	69,548	69,548
	-	69,548	69,548
Total 2020	60,869	2,942,321	3,003,190

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, individually material income streams are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £40,320 of funding for catch-up premium which has been fully spent during the year and costs incurred in respect of this funding are included in notes 7 and 8 below.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Sale of goods	1,667	**1,667**
Hire of facilities	12,107	**12,107**
Total 2021	13,774	**13,774**

	Unrestricted funds 2020 £	*Total funds 2020 £*
Sale of goods	*1,702*	*1,702*
Hire of facilities	*16,072*	*16,072*
Total 2020	*17,774*	*17,774*

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	49	**49**

	Unrestricted funds 2020 £	*Total funds 2020 £*
Bank interest	*237*	*237*

7. Expenditure

	Staff Costs 2021 £	**Premises 2021 £**	**Other 2021 £**	**Total 2021 £**
Educational operations				
Direct costs	1,806,476	-	218,343	**2,024,819**
Allocated support costs	806,303	224,529	624,530	**1,655,362**
Total 2021	2,612,779	224,529	842,873	**3,680,181**

	Staff Costs 2020 £	*Premises 2020 £*	*Other 2020 £*	*Total 2020 £*
Educational operations				
Direct costs	*1,840,914*	-	*207,165*	*2,048,079*
Allocated support costs	*692,437*	*208,900*	*563,942*	*1,465,279*
Total 2020	*2,533,351*	*208,900*	*771,107*	*3,513,358*

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	**Support costs 2021 £**	**Total funds 2021 £**
Educational operations:	2,024,819	1,655,362	**3,680,181**

	Activities undertaken directly 2020 £	*Support costs 2020 £*	*Total funds 2020 £*
Educational operations:	*2,048,079*	*1,465,279*	*3,513,358*

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	*Total funds 2020 £*
Staff costs	**806,303**	*692,437*
Depreciation	**199,313**	*200,609*
Technology costs	**64,884**	*46,957*
Premises costs	**224,529**	*208,900*
Other costs	**330,893**	*286,452*
Governance costs	**29,440**	*29,924*
Total 2021	**1,655,362**	*1,465,279*

9. Net expenditure

Net expenditure for the year includes:

	2021 £	*2020 £*
Operating lease rentals	**7,102**	*6,534*
Depreciation of tangible fixed assets	**235,037**	*233,836*
Gain on disposal of fixed assets	**-**	*(1,517)*
Fees paid to auditors for:		
- audit	**5,625**	*5,575*

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,798,057	1,812,696
Social security costs	156,097	155,079
Pension costs	634,287	553,152
	2,588,441	2,520,927
Agency staff costs	24,338	12,424
	2,612,779	2,533,351

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	21	24
Administration and support	87	94
Management	3	3
	111	121

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	21	21
Administration and support	41	49
Management	3	3
	65	73

10. Staff (continued)

c. Higher paid staff

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

	2021 **No.**	*2020* *No.*
In the band £60,001 - £70,000	**1**	*2*
In the band £90,001 - £100,000	**1**	*1*

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £231,157 *(2020 £287,708)*.

11. Trustees' remuneration and expenses

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

		2021 **£**	*2020* *£*
R Lilley, Principal	Remuneration	**90,000 - 95,000**	*90,000 - 95,000*
	Pension contributions paid	**20,000 - 25,000**	*20,000 - 25,000*
E Rodgers, Staff Trustee	Remuneration	**60,000 - 65,000**	*60,000 - 65,000*
	Pension contributions paid	**10,000 - 15,000**	*10,000 - 15,000*
U Flower, Staff Trustee	Remuneration	**15,000 - 20,000**	*15,000 - 20,000*
	Pension contributions paid	**0 - 5,000**	*0 - 5,000*

During the year ended 31 August 2021, travel expenses totalling £307 were reimbursed or paid directly to 2 Trustees *(2020 - £26 to 1 Trustee)*.

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	**9,246,652**	**234,815**	**237,159**	**49,170**	**9,767,796**
Additions	**-**	**13,347**	**73,271**	**-**	**86,618**
At 31 August 2021	**9,246,652**	**248,162**	**310,430**	**49,170**	**9,854,414**
Depreciation					
At 1 September 2020	**905,239**	**163,826**	**189,940**	**27,325**	**1,286,330**
Charge for the year	**155,793**	**33,719**	**39,031**	**6,494**	**235,037**
At 31 August 2021	**1,061,032**	**197,545**	**228,971**	**33,819**	**1,521,367**
Net book value					
At 31 August 2021	**8,185,620**	**50,617**	**81,459**	**15,351**	**8,333,047**
At 31 August 2020	*8,341,413*	*70,989*	*47,219*	*21,845*	*8,481,466*

Included in freehold property is freehold land at valuation of £1,457,000 which is not depreciated.

14. Stocks

	2021 £	*2020 £*
Uniform	**18,627**	*9,002*

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	**20**	*100*
Other debtors	**16,489**	*13,298*
Prepayments and accrued income	**76,534**	*166,172*
	93,043	*179,570*

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	**80,093**	*87,515*
Other taxation and social security	**37,563**	*34,654*
Other creditors	**46,562**	*42,569*
Accruals and deferred income	**106,565**	*125,268*
	270,783	*290,006*

	2021 £	2020 £
Deferred income at 1 September 2020	**87,427**	*57,035*
Resources deferred during the year	**90,020**	*87,427*
Amounts released from previous periods	**(87,427)**	*(57,035)*
	90,020	*87,427*

Deferred income relates to Universal Infant Free School Meals funding, local authority grants for additional needs and other income for the 2021/22 academic year.

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	316,115	69,678	(51,948)	(21,722)	-	312,123
Unrestricted fixed asset funds	100,141	-	(37,023)	21,722	-	84,840
	416,256	69,678	(88,971)	-	-	396,963
Restricted general funds						
General Annual Grant (GAG)	-	2,246,113	(2,225,219)	(14,335)	-	6,559
Other DfE/ESFA grants	31,189	558,811	(522,095)	(40,320)	-	27,585
LA grants	-	293,900	(293,900)	-	-	-
Other activities	-	43,979	(43,979)	-	-	-
Pension reserve	(3,905,000)	-	(308,000)	-	(753,000)	(4,966,000)
	(3,873,811)	3,142,803	(3,393,193)	(54,655)	(753,000)	(4,931,856)
Restricted fixed asset funds						
Transfer from former school	8,294,000	-	(154,800)	14,335	-	8,153,535
Capital expenditure from GAG	60,028	-	(17,424)	-	-	42,604
Other DfE/ESFA grants	13,701	10,242	(20,129)	40,320	-	44,134
Other activities	13,598	-	(5,664)	-	-	7,934
	8,381,327	10,242	(198,017)	54,655	-	8,248,207

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	**4,507,516**	**3,153,045**	**(3,591,210)**	**-**	**(753,000)**	**3,316,351**
Total funds	**4,923,772**	**3,222,723**	**(3,680,181)**	**-**	**(753,000)**	**3,713,314**

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from Local Authority on conversion represents the assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2021 results in a net surplus of £431,107.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

17. Statement of funds (continued)

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

	Balance at 1 September 2019	*Income*	*Expenditure*	*Transfers in/out*	*Gains/ (Losses)*	*Balance at 31 August 2020*
	£	*£*	*£*	*£*	*£*	*£*
Unrestricted funds						
General funds	*421,338*	*78,880*	*(65,766)*	*(118,337)*	*-*	*316,115*
Unrestricted fixed asset funds	*78,113*	*-*	*(32,387)*	*54,415*	*-*	*100,141*
	499,451	*78,880*	*(98,153)*	*(63,922)*	*-*	*416,256*
Restricted general funds						
General Annual Grant (GAG)	*1,314*	*2,068,505*	*(2,133,741)*	*63,922*	*-*	*-*
Other DfE/ESFA grants	*7,905*	*575,509*	*(552,225)*	*-*	*-*	*31,189*
LA grants	*-*	*272,198*	*(272,198)*	*-*	*-*	*-*
Other activities	*-*	*26,109*	*(26,109)*	*-*	*-*	*-*
Pension reserve	*(2,738,000)*	*-*	*(231,000)*	*-*	*(936,000)*	*(3,905,000)*
	(2,728,781)	*2,942,321*	*(3,215,273)*	*63,922*	*(936,000)*	*(3,873,811)*
Restricted fixed asset funds						
Transfer from former school	*8,450,192*	*-*	*(156,192)*	*-*	*-*	*8,294,000*
Capital expenditure from GAG	*88,197*	*-*	*(28,169)*	*-*	*-*	*60,028*
Other DfE/ESFA grants	*11,204*	*9,812*	*(7,315)*	*-*	*-*	*13,701*
Other activities	*21,854*	*-*	*(8,256)*	*-*	*-*	*13,598*

17. Statement of funds (continued)

	Balance at 1 September 2019 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2020 £*
	8,571,447	*9,812*	*(199,932)*	*-*	*-*	*8,381,327*
Total Restricted funds	*5,842,666*	*2,952,133*	*(3,415,205)*	*63,922*	*(936,000)*	*4,507,516*
Total funds	*6,342,117*	*3,031,013*	*(3,513,358)*	*-*	*(936,000)*	*4,923,772*

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Restricted fixed asset funds 2021 £**	**Total funds 2021 £**
Tangible fixed assets	84,840	-	8,248,207	**8,333,047**
Current assets	312,123	304,927	-	**617,050**
Creditors due within one year	-	(270,783)	-	**(270,783)**
Provisions for liabilities and charges	-	(4,966,000)	-	**(4,966,000)**
Total	396,963	(4,931,856)	8,248,207	**3,713,314**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Restricted fixed asset funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	*100,139*	*-*	*8,381,327*	*8,481,466*
Current assets	*316,117*	*321,195*	*-*	*637,312*
Creditors due within one year	*-*	*(290,006)*	*-*	*(290,006)*
Provisions for liabilities and charges	*-*	*(3,905,000)*	*-*	*(3,905,000)*
Total	*416,256*	*(3,873,811)*	*8,381,327*	*4,923,772*

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	*2020 £*
Net expenditure for the year (as per Statement of financial activities)	**(457,458)**	*(482,345)*
Adjustments for:		
Depreciation	**235,037**	*233,836*
Capital grants from DfE and other capital income	**(10,242)**	*(11,329)*
Interest receivable	**(49)**	*(237)*
Defined benefit pension scheme cost less contributions payable	**244,000**	*180,000*
Defined benefit pension scheme finance cost	**63,000**	*50,000*
(Increase)/decrease in stocks	**(9,625)**	*-*
Decrease/(increase) in debtors	**86,527**	*(65,907)*
(Decrease)/increase in creditors	**(19,223)**	*88,395*
Admin expense for defined benefit pension scheme	**1,000**	*1,000*
Net cash provided by/(used in) operating activities	**132,967**	*(6,587)*

20. Cash flows from investing activities

	2021 £	*2020 £*
Dividends, interest and rents from investments	**49**	*237*
Purchase of tangible fixed assets	**(86,618)**	*(70,226)*
Proceeds from the sale of tangible fixed assets	**-**	*6,000*
Capital grants from DfE Group	**10,242**	*9,812*
Net cash used in investing activities	**(76,327)**	*(54,177)*

21. Analysis of cash and cash equivalents

	2021 £	*2020 £*
Cash in hand and at bank	**505,380**	*448,740*
Total cash and cash equivalents	**505,380**	*448,740*

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	**448,740**	**56,640**	**505,380**
	448,740	**56,640**	**505,380**

23. Pension commitments

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

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

Contributions amounting to £45,498 were payable to the schemes at 31 August 2021 *(2020 - £42,499)* and are included within creditors.

23. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £215,124 *(2020 - £212,665)*.

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

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

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £227,000 *(2020 - £206,000)*, of which employer's contributions totalled £176,000 *(2020 - £158,000)* and employees' contributions totalled £ 51,000 *(2020 - £48,000)*. The agreed contribution rates for future years are 20.8 per cent for employers and various per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Principal actuarial assumptions

	2021	*2020*
	%	*%*
Rate of increase in salaries	**3.85**	*3.2*
Rate of increase for pensions in payment/inflation	**2.85**	*2.2*
Discount rate for scheme liabilities	**1.7**	*1.65*

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

	2021	*2020*
	Years	*Years*
Retiring today		
Males	**21.6**	*21.8*
Females	**24.3**	*24.4*
Retiring in 20 years		
Males	**22.9**	*23.2*
Females	**25.7**	*25.9*

23. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	**234**	*390*
Discount rate -0.1%	**(241)**	*(417)*
Mortality assumption - 1 year increase	**338**	*417*
Mortality assumption - 1 year decrease	**(325)**	*(389)*

Share of scheme assets

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

	2021 £	2020 £
Equities	**2,053,000**	*1,564,000*
Gilts	**103,000**	*102,000*
Corporate bonds	**200,000**	*224,000*
Property	**324,000**	*344,000*
Cash and other liquid assets	**129,000**	*103,000*
Other	**352,000**	*280,000*
Total market value of assets	**3,161,000**	*2,617,000*

The actual return on scheme assets was £386,000 *(2020 - £86,000)*.

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	**(420,000)**	*(338,000)*
Interest income	**44,000**	*47,000*
Interest cost	**(107,000)**	*(97,000)*
Administrative expenses	**1,000**	*1,000*
Total amount recognised in the Statement of financial activities	**(482,000)**	*(387,000)*

23. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	**6,522,000**	*5,110,000*
Current service cost	**420,000**	*338,000*
Interest cost	**107,000**	*97,000*
Employee contributions	**51,000**	*48,000*
Actuarial losses	**1,095,000**	*937,000*
Benefits paid	**(68,000)**	*(8,000)*
At 31 August	**8,127,000**	*6,522,000*

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

	2021 £	2020 £
At 1 September	**2,617,000**	*2,372,000*
Interest income	**44,000**	*47,000*
Actuarial gains	**342,000**	*1,000*
Employer contributions	**176,000**	*158,000*
Employee contributions	**51,000**	*48,000*
Benefits paid	**(68,000)**	*(8,000)*
Administration expenses	**(1,000)**	*(1,000)*
At 31 August	**3,161,000**	*2,617,000*

24. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	**6,534**	*6,534*
Later than 1 year and not later than 5 years	**5,113**	*11,647*
	11,647	*18,181*

25. Members' liability

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

26. Related party transactions

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

ND Services Limited is a business owned by the spouse of the Chief Financial Officer. Transactions during the year amount to £12,806 (2020 - £19,117) with no amounts outstanding at the year end. This supplier is used due to their competitive prices for the service provided in local area. A value for money exercise is completed regularly to ensure best value is obtained.

Bassetlaw Primary Behaviour Partnership (BPBP) is a not for profit company in which R Lilley, the Principal, is a member and director. The academy recharge rent to BPBP at market rate, and during the year this amounted to £2,486 (2020 - £2,486) with no amounts outstanding at the year end. All transactions are at arms length.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.