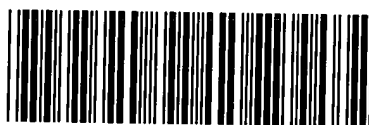


Company Registration No. 07917745 (England and Wales)

APPLECROFT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

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APPLECROFT SCHOOL

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APPLECROFT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Revd J Fennell (Community Governor) (Resigned 19 March 2021)
Mr N Gallacher (Staff Governor)
Mrs L Lamaison (Staff Governor)
Mrs L Withe (Headteacher)
Mr C Hailey (Chair of Governors, Community Governor)
Mr P Wyatt (Staff Governor)
Mrs C A Coe (Parent Governor)
Mr B Kirby (Parent Governor)
Mrs L Gardner (Chair of Finance and Premises, Parent Governor)
Mrs G Rockall (Parent Governor)
Mr S Williams (Community Governor)
Revd R Wakefield (Community Governor) (Appointed 27 January 2021)
Mrs M Theophile (Parent Governor) (Appointed 26 May 2021)
Mr C Ivie (Community Governor) (Appointed 26 May 2021)
Mr T Virtanen (Parent Governor) (Appointed 27 January 2021)
Mrs L Bright (Community Governor) (Appointed 27 January 2021)

Members

Revd J Fennell (Resigned 19 March 2021) - Community governor
Mr S Williams - Community governor
Mr C Hailey - Community governor
Revd R Wakefield (Appointed 27 January 2021) - Community governor
Mr C Ivie (Appointed 26 May 2021) - Community governor
Mrs L Bright (Appointed 27 January 2021) - Community governor
Mrs C A Coe - Parent Governor
Mr B Kirby - Parent Governor
Mrs L Gardner - Parent Governor
Mrs G Rockall - Parent Governor
Mrs M Theophile (Appointed 26 May 2021) - Parent Governor
Mr T Virtanen (Appointed 27 January 2021) - Parent Governor

Senior leadership team

Mrs L Withe - Headteacher
Mr P Wyatt - Deputy Headteacher
Mrs S Boulton - KS2 Phase Leader
Mrs A Brazier (Resigned 31 December 2020) - Inclusion Leader
Miss R Kerry - Assistant Headteacher for Inclusion and Well-Being
Mrs S Gardner - Early Years and KS1 Phase Leader
Mrs O Coe - Finance and Business Manager

Company secretary

Ms O Coe

Company registration number

07917745 (England and Wales)

APPLECROFT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office	Applecroft Road Welwyn Garden City Hertfordshire AL8 6JZ United Kingdom
Independent auditor	Azets Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire SG13 7HJ United Kingdom
Bankers	Lloyds Bank PLC PO Box 1000 Andover BX1 1LT United Kingdom
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham Nottinghamshire NG1 7BJ United Kingdom

APPLECROFT SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Charitable Company operates an Academy for pupils aged 3-10 serving the catchment area of Welwyn Garden City. It has a pupil capacity of 420 in the main school and 60 in its nursery and a roll of 418 for the main school and 35 for the nursery in the 2021 school census.

Structure, governance and management

Constitution

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

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

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of recruitment and appointment or election of Governors

The arrangements are as set out in the Articles of Association. The Articles make provision for up to 15 Governors made up of 6 Parent, 3 Staff, and 5 Community Governors plus the Headteacher.

The trust benefits from having good connections within the community. We are often approached by individuals or are recommended to contact certain members of the local community that have knowledge and experience that would benefit the board.

All Governors serve a four-year term, although they can be re-elected in a similar or different capacity once their term of office ends. Community Governors are appointed by the Governing Body based on either their previous involvement with the Academy or their understanding of issues likely to be relevant to the Academy's community. Parent Governors are elected by the parents of students at the Academy. Staff Trustees are elected by the staff within the Academy. The Headteacher is a member of the Governing Body. Further governors may be appointed by the Secretary of State. Member Governors may be appointed directly by members.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of Governors

During the 2020/21 academic year, the Governors welcomed three new parent and two new community governors to the Board. The new governors were provided with an induction pack which included the code of conduct, information regarding the link governor role and school visits protocol. All Governors were provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

All Governors undergo induction training on appointment and they then continue to attend training courses and other events organised by Herts for Learning or other bodies so that they keep up to date with what is happening generally, within the national and local educational sector, and their responsibilities within the Governing Board. One Governor is designated as the Training Governor and they are responsible for overseeing training and development needs. Governors also undertake to make regular visits to the Academy to improve their understanding and to offer guidance and support.

Organisational structure

The Governing Board, which meets on at least 6 occasions per year, is responsible for the strategic direction of the Academy. The Governing Board reviews progress towards educational objectives and results. They also approve major expenditure requests, set general policy, review and monitor Academy financials, approve the budget for the following year, review and approve the organisational staffing structure, and agree the performance objectives of the Headteacher with the Herts Improvement Partner (HIP).

The Governing Board delegates certain areas of its functions to its sub-committees: Finance & Premises Committee, Personnel and Pupil Welfare Committee and the Curriculum and Assessment Committee. Some meetings are also attended by members of the Academy's Senior Leadership Team (SLT) several of whom are Associate Governors. The Governors have a Schedule of Financial Delegation in place which clearly defines boundaries of budget authority. This is adhered to, ensuring appropriate levels of discussion and consideration before any spend commitments are made.

The Headteacher is a Governor, a member of the Trust, and the Accounting Officer. The Headteacher directly line manages the SLT, which for the 2020/21 academic year comprised of;

- Deputy Headteacher, PE & Maths Leader & Y2-3 Leader,
- Assessment Leader, English Leader & Y4-6 Leader,
- Assistant Headteacher for Inclusion and Well-Being,
- Early Years & Year 1 Leader, and
- Finance and Business Manager.

As a group, the SLT is responsible for the day-to-day operation of the Academy - in particular the curriculum strategy, organising the teaching and non-teaching staff, facilities and students. The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Headteacher has overall responsibility for the day-to-day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders.

Arrangements for setting pay and remuneration of key management personnel

The Pay Committee (a subset of the Finance & Premises Committee) approves leadership scales and adheres to the Staff Pay Policy. This policy is reviewed on an annual basis.

The Academy's Staff Pay Policy 2020 details the Pay Committee's responsibilities which includes considering recommendations from the Headteacher regarding pay and remuneration of the Academy's key management personnel and reviewing the appraisal process / documentation at key times during the year.

The Academy sets its pay in accordance with the pay ranges recommended by Hertfordshire County Council. Hertfordshire County Council carry out a full consultation with employers' representatives nationally to assist them in developing appropriate rationale in setting pay ranges.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Related parties and other connected charities and organisations

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transaction where a Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

Applecroft is involved in several active partnerships with a variety of schools and agencies;

- The Academy is part of a local partnership (Handside Schools' Partnership) along with a local Secondary School and a Special School. The schools have worked closely to enable children to participate in joint curriculum projects.
- The Academy is involved with a cluster of primary and secondary schools in the Welwyn Garden City area of Hertfordshire. Several sporting events covering football, netball, athletics and cross-country are arranged throughout the academic year.

Objectives and activities

Objects and aims

At Applecroft School we believe in developing the whole child and this is evident in the curriculum on offer. We are proud of the inclusive and creative opportunities provided and the high standards of achievement and progress which are attained: the personal development achieved through the 'Leader in Me' process, high quality PSHE curriculum; the excellent arts learning; the many visitors and trips which enrich our learning and the diverse sporting opportunities and clubs we offer are all part of the wider curriculum. However, we continue to welcome the opportunity to review and refresh our curriculum in order to enhance learning opportunities for our pupils. Any changes we incorporate are carefully considered in line with our vision, mission and values.

We believe our children should have a voice into their learning and we see the benefits both in terms of motivation and engagement when they do. Our curriculum is skills based and therefore can be delivered through any topic. Each term the children and their class teacher discuss the children's interests and together decides upon the next term's topic theme. The teachers' then plan how to best deliver the skills through the chosen topic.

We encourage everyone to be independent and creative, embracing challenge with enthusiasm, confidence and resilience. At Applecroft School the children are at the heart of everything we do. The whole community has high expectations for themselves and for what our children can achieve, whatever their starting points. We endeavour to instil a love of learning and curiosity, encouraging children to ask questions and to have a voice.

Applecroft School's Vision:

To create a positive and inspiring community that nurtures each individual and empowers leaders for life.

Applecroft School's Mission:

'Nurturing Potential, Inspiring Minds, Changing Lives' underpins all we do.

Applecroft School Values: (identified by the whole school community are)

Ambition and Leadership
Kindness and Supportiveness
Respect and Honesty
Determination and Resilience

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

During the year the school has worked towards achieving these aims by:

Continually developing the curriculum, enabling pupils to apply their acquired knowledge in a broad;
Improving the effectiveness of the academy by keeping the curriculum and organisational structure;
Providing value for money for the funds expended;
Complying with all appropriate statutory and curriculum requirements;
Continuing to improve the physical building and resources to ensure our children have the very best;
Providing high quality tuition and learning opportunities for all students to reach their full potential;
Ensuring high quality teaching across the school in order to maintain our high standard of education;
We strive to maintain the outstanding progress made at the end of KS2 as reflected in our SATs results;
High quality and continual CPD for all staff to ensure and high quality and continually improving;
A programme of extra-curricular after school clubs and activities for all students to deliver a broader;
Ensuring best value for money is achieved when making purchases and generating additional income;
Conducting the Academy's business in accordance with the highest standards of integrity;
Implemented business plans ensuring the school's resources continue to support learning

At Applecroft School we aim to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

We develop our rich and varied curriculum to capture the hearts and minds of our children in broad, diverse and creative ways. We recognise that every child is different and we use as many media and methods as possible to ensure we offer inclusive opportunities to enable high standards of progress and attainment and develop a love of learning in all children. Our curriculum is progressive and builds on prior knowledge and skills each year.

At Applecroft we carry out ongoing assessments of the children, providing each child with regular feedback so that they know their next steps. We use both summative and formative assessment of pupils and benchmark the school's performance against both local and national figures. We pride ourselves on knowing every child as an individual and tailor our learning towards ensuring all children can be successful and fulfil their potential.

Public benefit

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

The Governors believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Academy has operated in accordance with its funding agreement and appeals as a non-charging, not for profit organisation throughout the period in question. Pupil admissions to the Academy have been conducted in accordance with Hertfordshire County Council Admissions for children detailed in the Admissions Arrangements for 2020/21.

The pupil admission criteria were:

1. Children looked after and children who were previously looked after, but ceased
2. Children for whom it can be demonstrated that they have a particular medical or social need to
3. Children who have a sibling on the roll of the school at the time of application
4. Children of staff where:
 - a) Where the member of staff has been employed at the school for two or more years at the time at which the application for admissions to the school is made, and/or
 - b) The member of staff is recruited to fill a vacant post for which there is a demonstrable skill shortage
5. Nearest School
6. Distance

This is consistent with objects detailed in our Memorandum of Association Clause 4.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Academy measures its success partly through a series of performance indicators. These indicators comprise:

- On-going self-evaluation
- Pupil voice and survey data
- Parent / Carer voice and survey data
- Hertfordshire Improvement Partner (HIP) report
- Pupil Progress Meetings where every child's progress is evaluated, and appropriate actions taken as necessary
- Academy popularity/admissions
- SATs results and other indicators of student progress
- Staff performance monitoring
- Staff voice and survey data
- Staff turnover
- Financial health

We aim to cultivate learners and enable them to feel confident to achieve their full potential and make a valuable contribution to their immediate and wider world. The Applecroft community will retain and develop its values and support a culture of self-improvement from an individual and whole school perspective. We aim to unlock professional and personal potential by sharing best practice and moving with the educational landscape. Applecroft School's objectives link back to the initial vision and mission and are, in part, an acknowledgement of the above indicators.

To ensure standards are continually raised, the Academy:

- Operates a programme of lesson observations
- Carries out termly pupil progress meetings
- Operates a programme of monitoring including deep dives, learning walks, book scrutiny, pupil and staff voice
- Operates a programme of appraisal reviews
- Tracks and tackles underachievement as indicated by a number of measures (for example, by ongoing data analysis at class, year, key stage and faculty levels)
- Employs an external adviser (HIP)
- Requests external reviews (Pupil Premium and Safeguarding)
- Sets ambitious and achievable objectives in its School Improvement Plan
- Conducts regular Link Governor visits/meetings
- Critical friend challenges and enquires at FGB meetings, evidenced within FGB minutes
- Thoroughly completing a Self-Evaluation document, highlighting areas of opportunity for further development.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

The Governors receive regular information at each Committee meeting to enable them to monitor the performance of the school against aims, strategies, and financial budgets. In addition the Chair of Governors receives monthly financial monitoring reports (Trial Balance, Balance Sheet and Cashflow). The Finance & Premises Committee undertakes continual monitoring of income and expenditure against financial budgets to ensure effective management of the grants and funds received and to ensure that the budget is set and managed appropriately..

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2020/21 were 418 and the school has maintained its popularity within the community.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2020/21 this was 79% (vs 81% for 2019/20). The Governing Board is confident that staffing levels are closely monitored to agreed staffing structures. The Governing Board also recognise the importance of experienced, committed staff to the Academy's continued performance, but also are mindful of the funding landscape the school operates within, and steadily rising costs.

The number of pupils entering Applecroft School with SEND including those with more complex needs continues to grow year on year. This is an area of the Academy's provision that requires continued attention to ensure the school is resourced appropriately to support the needs of all children.

The percentage of children eligible for the Pupil Premium Grant (PPG) has also seen a steady increase in recent years. The Governing Board are mindful of this and the Academy's statutory requirements around PPG and are therefore closely monitoring the PPG expenditure and strategy.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2021 the Academy Trust received £2,299k of funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education (see KPIs above). During the year the Trust spent £2,300k on general running costs (excluding depreciation of £82k) and £40k to support capital improvement projects on the Academy site. The Academy brought forward from 2019/20 £2,029k restricted funds and £356k unrestricted funding. The carry forward for 2021/22 is £1,558k restricted funds and £428k unrestricted funding. The financial impact of COVID-19 on the Trust has seen a profound effect on the level of funds received through private letting of the school – actual income received was approximately one third less than budgeted expectations.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,246k. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The Governors are aware of the requirement to balance current and future needs. The Governors always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £428k.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £568k. In line with the Reserves Policy the Academy holds a cash contingency of £150k, the equivalent of 4 weeks of ESFA and Local Authority income, to cover unexpected or emergency expenditure.

Investment policy

The Investment Policy was reviewed by the Finance & Premises Committee on behalf of the Governing Board in March 2021 and the current investments reviewed by the Finance & Premises Committee at the meeting on 11 November 2020 – no changes were made to the existing investments held in two low risk interest bearing savings accounts which keeps individual deposits below or close to £85k per bank limit.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to continually research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees by the Finance & Premises Committee. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trust has recognised the change COVID-19 has had on the level of risk the Academy has and continues to be exposed to. To mitigate potential risks, as much as is feasibly possible, of the ongoing impact of COVID-19 the Academy have undertaken an in-depth analysis of all categories of risk – to include but not a full list - educational outcomes, impact on the Academies finances and operational levels.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- The academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Our School Finance and Business Manager has shared our three-year financial plan, and we are aware that the trust is likely to be in deficit within two years if income and expenditure fail to diverge.
- Failure in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Board of Governors continue to review and ensure that appropriate measures are in place to mitigate these risks with the assistance of the School Finance and Business Manager. The Board of Governors with the support of the School Finance & Business Manager have appointed Herts for Learning to continue to conduct the internal auditor activity on a termly basis.
- Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governing Board ensures that student success and achievement are closely monitored and reviewed. We have seen no diminution in student and parental enthusiasm and do not anticipate this will change. The school continues to be oversubscribed and we see every sign of this continuing.
- Loss of Outstanding status - Applecroft School achieved outstanding status at its Ofsted inspection in 2008. The school conducts regular self-evaluation exercises and external consultations to continually improve its effectiveness and the school uses the results of such exercises to shape annual objectives and form an overall strategy for school improvement. Governors are acutely aware of continually rising national expectations in the intervening decade since our last inspection, of what a good and outstanding school is. The Governing Board are striving for the best outcomes but take the view it is prudent to plan for a good outcome.
- Staff recruitment: The ongoing maintenance of 100% of qualified teachers in the classroom continues to be a significant risk, particularly given the changing funding landscape. We are confident that our reputation, future ambitions, and continued financial prudence will ensure our competitiveness.
- The Academy's IT infrastructure is protected through installation of appropriate security procedures which are regularly updated ensuring protection of school data and safeguarding of students within the network. Staff and Governors are aware of e-safety issues and are ever mindful of possible risks. A disaster recovery strategy is in place.
- Disaster recovery and protection. The Academy has taken various insurance policies to mitigate any financial and business risk wherever possible.
- Safeguarding and Child Protection - the Governing Board continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of Child Protection policies and procedures, Health & Safety, Online Safety, Preventing Extremism and Radicalisation, Safeguarding and Behaviour and Discipline policies.
- The Academy is mindful of pupils being negatively influenced by radicalisation and the we work with Parents and staff to monitor and protect against radical influences.
- The Academy continues to operate its GDPR policies and procedures to keep the Trust's practices at the required standard.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

The Trust has not engaged in any significant fundraising activity directly in the past year or significantly relied upon fundraising as a component of its income generation. However, it does support the endeavours of a parent-led group who raise money through various activities, which is then spent in a way jointly agreed upon with the Trust and which supports the purpose of the Trust. Governors receive reports of the activities of the parent-led group and how these funds are spent via the Headteacher's Report.

Processes and policies exist, approved by the Board, which govern how funds are spent and how risk is identified and mitigated. The Trust additionally has a 'Gifts and Hospitality' policy to ensure cash cannot be received by staff and consequently helping to ensure no individual or organisation has undue influence over the Trust. Procedures exist for concerns and complaints to be raised by the public or parents if they have any issues with the fundraising activity carried out on behalf of the Trust. Governors are required to declare any interests in meetings and at the start of the year, to assist the Trust to protect itself from conflicts.

No complaints have ever been received for any fundraising activities at the school. The school only ever asks for voluntary contributions towards its fundraising and would never discriminate against any student or parent who did not want to contribute towards any activity. We do not place undue pressure on individuals to donate.

Plans for future periods

The Academy will continue to improve the level of performance of all students at all levels and will maintain its position within the community with a continued high-level of pupil subscriptions.

The Governing Board in conjunction with the Academy's Senior Leadership Team will continue to monitor and prioritise the actions to deliver against its five strategic themes for 2020-2023:

- Leadership – Leadership of Applecroft at all levels is exceptional leading to outstanding provision and outcomes for all pupils.
- Embracing Technology and the Digital World – Technology is at the heart of the Applecroft community and is embraced to maximise opportunities, experiences and outcomes for all.
- Ambition and Aspiration for All – Children from all backgrounds, including those who are disadvantaged, achieve highly.
- Community Engagement – Applecroft School has strongly established local, national and global reciprocal relationships which make a significant impact on all.
- Early Years Foundation Stage (EYFS) – The quality of early years education at Applecroft School is exceptional.

The Governing Board want to encourage and support the school to be a leading school within the region and country; a school which engages with its stakeholders – both members of the school and its wider community; and a school which empowers each member, staff and pupil, to achieve their best performance. The Headteacher is continually reviewing initiatives in line with the latest educational thinking, provision of a best practice service to advance education whether it is in support of communities locally, nationally or at a global level. To this end, the Academy will focus on developing strategies for the use of IT both operationally and for learning purposes; will develop strategies for communications and engagement; and will continue to support staff embedding into the new structure and particularly support the leadership of the school to recognise priorities for development.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 14/12/21 and signed on its behalf by:


Mr C Hailey
Chair of Governors

APPLECROFT SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Applecroft School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. The Board of Governors formally met 6 times during the year (6 virtual meetings by Microsoft Teams due to the COVID-19 restrictions and guidance that were in place from September 2020 to July 2021).

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

Governors	Meetings attended	Out of possible
Revd J Fennell (Community Governor) (Resigned 19 March 2021)	3	3
Mr N Gallacher (Staff Governor)	6	6
Mrs L Lamaison (Staff Governor)	5	6
Mrs L Withe (Headteacher)	6	6
Mr C Hailey (Chair of Governors, Community Governor)	6	6
Mr P Wyatt (Staff Governor)	6	6
Mrs C A Coe (Parent Governor)	5	6
Mr B Kirby (Parent Governor)	5	6
Mrs L Gardner (Chair of Finance and Premises, Parent Governor)	6	6
Mrs G Rockall (Parent Governor)	6	6
Mr S Williams (Community Governor)	6	6
Revd R Wakefield (Community Governor) (Appointed 27 January 2021)	4	4
Mrs M Theophile (Parent Governor) (Appointed 26 May 2021)	2	2
Mr C Ivie (Community Governor) (Appointed 26 May 2021)	1	1
Mr T Virtanen (Parent Governor) (Appointed 27 January 2021)	4	4
Mrs L Bright (Community Governor) (Appointed 27 January 2021)	3	4

In addition, Mrs O Coe (Associate Governor) attended 6 out of a possible 6 meetings, Mrs A Brazier (Associate Governor, resigned 31 December 2020) attended 1 out of a possible 2 meetings and Miss R Kerry (Associate Governor) attended 3 out of a possible 3 meetings.

The Governing Board continues to review and develop its governance structure to ensure that it has the skills and capabilities to carry out the governance role and responsibilities. The Governing Board has identified specialist governor roles (Health & Safety, Safeguarding, SEND & Children Looked After, Pupil Premium and Training) and has monitored the skills and capabilities available within the team to ensure training needs to be identified and training planned.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Finance and Premises Committee is a sub-committee of the main Board of Governors and came into existence in April 2016 from the merging of the Finance Committee and the Premises Committee. Its purpose is to oversee all aspects of the Academy's finances, including the School budget setting and monitoring and compliance with the Academies Financial Handbook. The Finance and Premises Committee was chaired by Mrs L Gardner in 2020/21.

The Finance and Premises Committee formally met 6 times during the year (6 virtual meetings by Microsoft Teams due to the COVID-19 restrictions and guidance that were in place from September 2020 to July 2021).

Attendance at meetings during the year was as follows.

Governors	Meetings attended	Out of possible
Mr N Gallacher (Staff Governor)	5	6
Mrs L Withe (Headteacher)	6	6
Mr C Hailey (Chair of Governors, Community Governor)	6	6
Mr P Wyatt (Staff Governor)	6	6
Mrs L Gardner (Chair of Finance and Premises, Parent Governor)	6	6
Mrs G Rockall (Parent Governor)	5	6
Mr C Ivie (Community Governor) (Appointed 26 May 2021)	1	1
Mr T Virtanen (Parent Governor) (Appointed 27 January 2021)	3	3

In addition, Mrs O Coe (Associate Governor) attended 6 out of a possible 6 meetings.

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors 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:

- Sustained good practice in procurement enabling continued savings and efficiencies.
- Careful management of staffing models and monitoring of staffing costs to sustain staff morale.
- Support and training for staff to minimise staff turnover and to ensuring continued quality of teaching.
- Careful tracking of training budgets to support staff development and performance management.
- Providing a creative approach to the curriculum, offering children a broad range of experiences.
- Using Pupil Premium funding to deliver carefully targeted interventions and services.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Applecroft School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

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

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

The Governing Board has considered the need for a specific internal audit function and has decided to appoint Herts for Learning Financial Services as internal auditor.

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a periodic basis, the internal auditor reports to the Finance & Premises Committee on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

The scope of internal audit checks is as follows:

Compliance and Governance, Register of Pecuniary Interests, New Governor Induction Pack, Related Party Transactions, Risk Register, Website Review, Whistle Blowing Policy, Procurement, Gifts and Hospitality, Data Security, Data Protection and GDPR, GAG Income, Non-Grant Income, Other Income, Bank Procedures, VAT and Corporation Tax, Payroll joiners and leavers.

During the period covered by this report there were no material control issues identified by the internal auditor. There were a small number of minor areas for improvement identified by the internal auditor, and these were reported to the Finance & Premises Committee and acted on accordingly by the Academy leadership team.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the Finance and Business Manager within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Governors on ~~14~~¹⁴/12/21... and signed on its behalf by:



Mr C Hailey
Chair of Governors

APPLECROFT SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

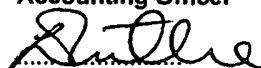
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

Mrs L Withe
Accounting Officer



APPLECROFT SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

In preparing these accounts, the Governors are required to:

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

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

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

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

Approved by order of the members of the Board of Governors on 14/12/21 and signed on its behalf by:


Mr C Hailey
Chair of Governors

APPLECROFT SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLECROFT SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

APPLECROFT SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLECROFT SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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.

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

APPLECROFT SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLECROFT SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the Academy Trust'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 Trust and Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Nisbet

Christopher Nisbet BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

16 December 2021

Chartered Accountants
Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
United Kingdom
SG13 7HJ

APPLECROFT SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 6 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Applecroft School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Applecroft School's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

APPLECROFT SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ
United Kingdom

Dated: 16 December 2021

APPLECROFT SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2021 £'000s	Total 2020 £'000s
Income and endowments from:						
Donations and capital grants	3	-	37	125	162	103
Charitable activities:						
- Funding for educational operations	4	-	2,047	-	2,047	1,881
Other trading activities	5	88	-	-	88	114
Investments	6	2	-	-	2	2
Total		<u>90</u>	<u>2,084</u>	<u>125</u>	<u>2,299</u>	<u>2,100</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	18	2,282	82	2,382	2,338
Total	7	<u>18</u>	<u>2,282</u>	<u>82</u>	<u>2,382</u>	<u>2,338</u>
Net income/(expenditure)		72	(198)	43	(83)	(238)
Transfers between funds	18	-	84	(84)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(316)	-	(316)	122
Net movement in funds		<u>72</u>	<u>(430)</u>	<u>(41)</u>	<u>(399)</u>	<u>(116)</u>
Reconciliation of funds						
Total funds brought forward		356	(787)	2,816	2,385	2,501
Total funds carried forward		<u>428</u>	<u>(1,217)</u>	<u>2,775</u>	<u>1,986</u>	<u>2,385</u>

APPLECROFT SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2020 £'000s
Income and endowments from:					
Donations and capital grants	3	-	76	27	103
Charitable activities:					
- Funding for educational operations	4	-	1,881	-	1,881
Other trading activities	5	114	-	-	114
Investments	6	2	-	-	2
Total		<u>116</u>	<u>1,957</u>	<u>27</u>	<u>2,100</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	204	2,042	92	2,338
Total	7	<u>204</u>	<u>2,042</u>	<u>92</u>	<u>2,338</u>
Net expenditure		(88)	(85)	(65)	(238)
Transfers between funds	18	-	(46)	46	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	122	-	122
Net movement in funds		(88)	(9)	(19)	(116)
Reconciliation of funds					
Total funds brought forward		444	(778)	2,835	2,501
Total funds carried forward		<u>356</u>	<u>(787)</u>	<u>2,816</u>	<u>2,385</u>

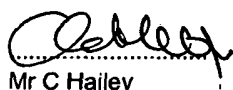
APPLECROFT SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£'000s	£'000s
Fixed assets			
Tangible assets	12	2,775	2,816
Current assets			
Stocks	13	7	5
Debtors	14	54	40
Cash at bank and in hand		568	477
		629	522
Current liabilities			
Creditors: amounts falling due within one year	15	(166)	(151)
Net current assets		463	371
Total assets less current liabilities		3,238	3,187
Creditors: amounts falling due after more than one year	16	(6)	(6)
Net assets before defined benefit pension scheme liability		3,232	3,181
Defined benefit pension scheme liability	20	(1,246)	(796)
Total net assets		1,986	2,385
Funds of the Academy Trust:			
Restricted funds	18		
- Fixed asset funds		2,775	2,816
- Restricted income funds		29	9
- Pension reserve		(1,246)	(796)
Total restricted funds		1,558	2,029
Unrestricted income funds	18	428	356
Total funds		1,986	2,385

The accounts on pages 24 to 47 were approved by the Governors and authorised for issue on 14/12/21 and are signed on their behalf by:



Mr C Hailey
Chair of Governors, Community Governor

Company Number 07917745

APPLECROFT SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020	
	Notes	£'000s	£'000s	£'000s	£'000s
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		7		(3)
Cash flows from investing activities					
Dividends, interest and rents from investments		2		2	
Capital grants from DfE Group		122		27	
Purchase of tangible fixed assets		(40)		(96)	
Net cash provided by/(used in) investing activities			84		(67)
Cash flows from financing activities					
Repayment of other loan		-		1	
Net cash (used in)/provided by financing activities			-		1
Net increase/(decrease) in cash and cash equivalents in the reporting period			91		(69)
Cash and cash equivalents at beginning of the year			477		546
Cash and cash equivalents at end of the year			568		477

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Applecroft School is a charitable company which is limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of a lease

On conversion to Academy Status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long lease. The properties have been professionally valued as at August 2012. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land. As the land and buildings are of specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold land and buildings	50 years straight line
Leasehold improvements	50 years straight line
Computer equipment	3-4 years straight line
Fixtures, fittings & equipment	5-10 years straight line

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Stock

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

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

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.13 Concessionary loans

The Salix loan is initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying value of the property, plant and equipment and note 1.5 for the useful economic lives for each class of assets,

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Donated fixed assets	-	3	3	-
Capital grants	-	122	122	27
Other donations	-	37	37	76
	<hr/>	<hr/>	<hr/>	<hr/>
	-	162	162	103
	<hr/>	<hr/>	<hr/>	<hr/>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	1,577	1,577	1,478
Other DfE / ESFA grants:				
UIFSM	-	64	64	55
Pupil premium	-	62	62	50
Covid catchup premium	-	33	33	-
Teachers pension grants	-	62	62	63
Others	-	44	44	49
	-	1,842	1,842	1,695
Other government grants				
Local authority grants	-	205	205	186
Total funding	-	2,047	2,047	1,881

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals, Pupil Premium, and Teachers Pension Grants is 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.

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Hire of facilities	25	-	25	19
Catering income	4	-	4	43
Music tuition	-	-	-	15
Other income	59	-	59	37
	88	-	88	114

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Short term deposits	2	-	2	2

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2021 £'000s	Total 2020 £'000s
Academy's educational operations					
- Direct costs	1,368	-	113	1,481	1,460
- Allocated support costs	438	312	151	901	878
	<u>1,806</u>	<u>312</u>	<u>264</u>	<u>2,382</u>	<u>2,338</u>

Net income/(expenditure) for the year includes:

	2021 £'000s	2020 £'000s
Fees payable to auditor for:		
- Audit	6	6
- Other services	3	3
Operating lease rentals	2	1
Depreciation of tangible fixed assets	82	92
Net interest on defined benefit pension liability	15	15
	<u>108</u>	<u>117</u>

8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Direct costs				
Educational operations	18	1,463	1,481	1,460
Support costs				
Educational operations	-	901	901	878
	<u>18</u>	<u>2,364</u>	<u>2,382</u>	<u>2,338</u>

Analysis of costs

	2021 £'000s	2020 £'000s
Direct costs		
Teaching and educational support staff costs	1,351	1,267
Staff development	17	20
Educational supplies and services	113	156
Educational consultancy	-	17
	<u>1,481</u>	<u>1,460</u>
Support costs		
Support staff costs	436	404
Depreciation	82	92
Technology costs	20	21
Maintenance of premises and equipment	159	110
Cleaning	2	3
Energy costs	27	27

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities	(Continued)	
Rent, rates and other occupancy costs	12	13
Insurance	29	21
Security and transport	1	1
Catering	54	110
Finance costs	15	15
Other support costs	52	47
Governance costs	12	14
	<u>901</u>	<u>878</u>

9 Staff

Staff costs

Staff costs during the year were:

	2021 £'000s	2020 £'000s
Wages and salaries	1,232	1,180
Social security costs	101	90
Pension costs	411	391
	<u>1,744</u>	<u>1,661</u>
Staff costs - employees	1,744	1,661
Agency staff costs	43	24
	<u>1,787</u>	<u>1,685</u>
Staff development and other staff costs	17	6
	<u>1,804</u>	<u>1,691</u>

Staff numbers

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

	2021 Number	2020 Number
Teachers	20	22
Administration and support	43	43
Management	6	2
	<u>69</u>	<u>67</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001-£70,000	-	1
£70,001- £80,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Governors 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 Trust was £399,609 (2020: £384,451).

10 Governors' remuneration and expenses

The Headteacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Governors. During the year no expenses were reimbursed to any Governors (2020: £nil reimbursed).

The value of Governors' remuneration was as follows:

Mrs L Withe (Headteacher):

Remuneration £70,001 - £80,000 (2020: £65,001 - £70,000)

Employer's pension contributions £15,001 - £20,000 (2020: £15,001 - £20,000)

Mrs L LaMaison (staff governor)

Remuneration £15,001 - £20,000 (2020: £15,001 - £20,000)

Employer's pension contributions £0 - £5,000 (2020: £0 - £5,000)

Mr N Gallacher (staff governor)

Remuneration £20,001 - £25,000 (2020: £20,001 - £25,000)

Employer's pension contributions £0 - £5,000 (2020: £5,001 - £10,000)

Mr P Wyatt (staff governor)

Remuneration £55,001 - £60,000 (2020: £55,001 - £60,000)

Employer's pension contributions £10,001 - £15,000 (2020: £10,001 - £15,000)

Other related party transactions involving the Governors are set out within the related parties note.

11 Governors' and officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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.

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Long leasehold land and buildings £'000s	Leasehold improvements £'000s	Computer equipment £'000s	Fixtures, fittings & equipment £'000s	Total £'000s
Cost					
At 1 September 2020	2,753	468	201	203	3,625
Additions	-	-	38	2	40
At 31 August 2021	2,753	468	239	205	3,665
Depreciation					
At 1 September 2020	441	26	169	173	809
Charge for the year	35	9	22	15	81
At 31 August 2021	476	35	191	188	890
Net book value					
At 31 August 2021	2,277	433	48	17	2,775
At 31 August 2020	2,312	442	32	30	2,816

Included within leasehold land and building is land with a value of £1,000,239 which is not being depreciated.

13 Stocks

	2021 £'000s	2020 £'000s
School uniform	7	5

14 Debtors

	2021 £'000s	2020 £'000s
Trade debtors	2	1
VAT recoverable	7	6
Other debtors	3	-
Prepayments and accrued income	42	33
	54	40

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due within one year

	2021 £'000s	2020 £'000s
Other loans	1	1
Other taxation and social security	24	24
Other creditors	32	31
Accruals and deferred income	109	95
	<u>166</u>	<u>151</u>

16 Creditors: amounts falling due after more than one year

	2021 £'000s	2020 £'000s
Other loans	<u>6</u>	<u>6</u>
Analysis of loans	2021 £'000s	2020 £'000s
Wholly repayable within five years	7	7
Less: included in current liabilities	(1)	(1)
Amounts included above	<u>6</u>	<u>6</u>
Loan maturity		
Debt due in one year or less	1	1
Due in more than one year but not more than two years	1	1
Due in more than two years but not more than five years	3	3
Due in more than five years	2	2
	<u>7</u>	<u>7</u>

Included within other creditors is a loan of £7,266 from Salix which is repayable over 8 years and which is interest free.

17 Deferred income

	2021 £'000s	2020 £'000s
Deferred income is included within:		
Creditors due within one year	<u>70</u>	<u>58</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Deferred income

(Continued)

Deferred income at 1 September 2020	58	57
Released from previous years	(52)	(57)
Resources deferred in the year	64	58
Deferred income at 31 August 2021	70	58

Deferred income includes free school meals funding received in advance, rates relief, devolved formula capital and trip income which relates to 2021/22.

18 Funds

	Balance at 1 September 2020 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2021 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	1,577	(1,661)	84	-
Covid catchup premium	-	33	(17)	-	16
UFSM	-	64	(64)	-	-
Pupil premium	8	62	(67)	-	3
Teachers pension grants	-	62	(62)	-	-
Other DfE / ESFA grants	1	44	(36)	-	9
Other government grants	-	205	(204)	-	1
Other restricted funds	-	37	(37)	-	-
Pension reserve	(796)	-	(134)	(316)	(1,246)
	<u>(787)</u>	<u>2,084</u>	<u>(2,282)</u>	<u>(232)</u>	<u>(1,217)</u>
Restricted fixed asset funds					
DfE group capital grants	2,816	125	(82)	(84)	2,775
	<u>2,816</u>	<u>125</u>	<u>(82)</u>	<u>(84)</u>	<u>2,775</u>
Total restricted funds	<u>2,029</u>	<u>2,209</u>	<u>(2,364)</u>	<u>(316)</u>	<u>1,558</u>
Unrestricted funds					
General funds	356	90	(18)	-	428
	<u>356</u>	<u>90</u>	<u>(18)</u>	<u>-</u>	<u>428</u>
Total funds	<u>2,385</u>	<u>2,299</u>	<u>(2,382)</u>	<u>(316)</u>	<u>1,986</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the normal running costs of the Academy.

Other DfE/EFA grants

This includes pupil premium, Covid 19 catchup premium, teachers' pension grant and teachers' pay grant and the PE and sports grant.

Other government grants

This represents allocated funding for special educational needs pupils and various other small grants from local and national government bodies for the provision of specific services to pupils of the school.

Other Restricted funds

This includes donations for school trips and other small donations for the provision of specific services to pupils of the school.

Pension Reserve

This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

Restricted Fixed Asset Fund

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

DfE/ESFA capital grants

This represents income received from both the Department for Education and the Education and Skills Funding Agency for capital projects undertaken by the Academy.

Transfers

The transfer between funds represents the net adjustment for additions purchased using GAG funding and DfE/ESFA capital funding.

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

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

	Balance at 1 September 2019 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2020 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	1,478	(1,432)	(46)	-
UIFSM	-	55	(55)	-	-
Pupil premium	-	50	(42)	-	8
Teachers pension grants	-	63	(63)	-	-
Other DfE / ESFA grants	10	49	(58)	-	1
Other government grants	-	186	(186)	-	-
Other restricted funds	1	76	(77)	-	-
Pension reserve	(789)	-	(129)	122	(796)
	<u>(778)</u>	<u>1,957</u>	<u>(2,042)</u>	<u>76</u>	<u>(787)</u>
Restricted fixed asset funds					
DfE group capital grants	2,835	27	(92)	46	2,816
	<u>2,835</u>	<u>27</u>	<u>(92)</u>	<u>46</u>	<u>2,816</u>
Total restricted funds	<u>2,057</u>	<u>1,984</u>	<u>(2,134)</u>	<u>122</u>	<u>2,029</u>
Unrestricted funds					
General funds	444	116	(204)	-	356
	<u>444</u>	<u>116</u>	<u>(204)</u>	<u>-</u>	<u>356</u>
Total funds	<u>2,501</u>	<u>2,100</u>	<u>(2,338)</u>	<u>122</u>	<u>2,385</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	2,775	2,775
Current assets	600	29	-	629
Creditors falling due within one year	(166)	-	-	(166)
Creditors falling due after one year	(6)	-	-	(6)
Defined benefit pension liability	-	(1,246)	-	(1,246)
Total net assets	<u>428</u>	<u>(1,217)</u>	<u>2,775</u>	<u>1,986</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,816	2,816
Current assets	513	9	-	522
Creditors falling due within one year	(151)	-	-	(151)
Creditors falling due after one year	(6)	-	-	(6)
Defined benefit pension liability	-	(796)	-	(796)
Total net assets	356	(787)	2,816	2,385

20 Pension and similar obligations

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

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

Contributions amounting to £32K (2020: £31K) were payable to the schemes at the year end and have been included in other creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £180k (2020: £111k).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.6% per cent for employers and 5.5 to 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Total contributions made	2021 £'000s	2020 £'000s
Employer's contributions	112	109
Employees' contributions	28	26
Total contributions	140	135
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	22.1	21.9
- Females	24.5	24.1
Retiring in 20 years		
- Males	23.2	22.8
- Females	26.2	25.5

	2021 £'000s	2020 £'000s
Discount rate -0.5%	365	282
Mortality assumption + 1 year	122	
Salary increase rate +0.5%	20	19
Pension increase rate +0.5%	335	259

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme

	2021 Fair value £'000s	2020 Fair value £'000s
Equities	957	794
Bonds	524	524
Cash	126	45
Property	199	135
Total market value of assets	1,806	1,498

The actual return on scheme assets was £204,000 (2020: £9,000).

Amount recognised in the statement of financial activities

	2021 £'000s	2020 £'000s
Current service cost	231	220
Past service cost	-	3
Interest income	(26)	(26)
Interest cost	41	41
Total operating charge	246	238

Changes in the present value of defined benefit obligations

	2021 £'000s	2020 £'000s
At 1 September 2020	2,294	2,167
Current service cost	231	220
Interest cost	41	41
Employee contributions	28	26
Actuarial loss/(gain)	494	(139)
Benefits paid	(36)	(24)
Past service cost	-	3
At 31 August 2021	3,052	2,294

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2021 £'000s	2020 £'000s
At 1 September 2020	1,498	1,378
Interest income	26	26
Actuarial (gain)/loss	178	(17)
Employer contributions	112	109
Employee contributions	28	26
Benefits paid	(36)	(24)
At 31 August 2021	1,806	1,498

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

	2021 £'000s	2020 £'000s
Net expenditure for the reporting period (as per the statement of financial activities)	(83)	(301)
Adjusted for:		
Capital grants from DfE and other capital income	(125)	(27)
Investment income receivable	(2)	(2)
Defined benefit pension costs less contributions payable	119	114
Defined benefit pension scheme finance cost	15	15
Depreciation of tangible fixed assets	82	92
(Increase)/decrease in stocks	(2)	2
(Increase)/decrease in debtors	(14)	30
Increase in creditors	15	11
Net cash provided by/(used in) operating activities	5	(66)

22 Analysis of changes in net funds

	1 September 2020 £'000s	Cash flows £'000s	31 August 2021 £'000s
Cash	477	91	568
Loans falling due within one year	(1)	-	(1)
Loans falling due after more than one year	(6)	-	(6)
	470	91	561

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23 Long-term commitments, including operating leases

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

	2021 £'000s	2020 £'000s
Amounts due within one year	2	2
Amounts due in two and five years	6	8
	<u>8</u>	<u>10</u>

24 Capital commitments

	2021 £'000s	2020 £'000s
Expenditure contracted for but not provided in the accounts	-	118
	<u>-</u>	<u>118</u>

There were no capital commitments this year. The capital commitment in 2020 was to be funded by CIF income from the ESFA.

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with Academy's financial regulations and normal procurement procedures. During the year the following related party transaction took place:

During the year G Williams, wife of S Williams, a trustee, was employed as a finance assistant. G Williams is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

26 Members' liability

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