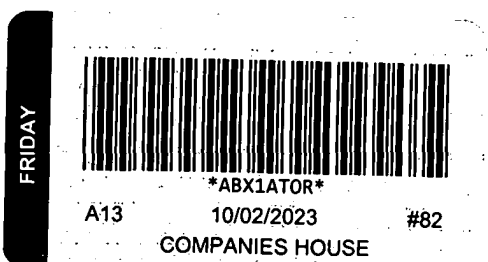

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	F Anderson (resigned 9 June 2022) P Brewster (appointed 9 June 2022) A Culley (appointed 9 June 2022) R Larthwell (appointed 9 June 2022) D Porter-Robinson (resigned 9 June 2022)
Governors	F Anderson (resigned 9 June 2022) P Brewster, Chair of Governors from 9 June 2022 (appointed 9 June 2022) A Culley D Davey, Headteacher and Accounting Officer A Graves (resigned 9 June 2022) K Hayes (resigned 20 January 2022) R Larthwell (appointed 9 June 2022) J Mullen, Staff Governor D Porter-Robinson, Chair of Governors to 9 June 2022 (resigned 9 June 2022) W Smalley, Staff Governor
Company Registered Number	08177181
Company Name	Huttoft Primary School (Academy)
Principal and Registered Office	Huttoft Primary School Church Lane Alford Lincolnshire LN13 9RE
Senior Leadership Team	D Davey, Headteacher D Osborne, Deputy Headteacher to 18 April 2022 W Smalley, Acting Deputy Headteacher from 18 April 2022 and Leader of the Curriculum J Mullen, Leader of SEND and Social Inclusion
Independent Auditors	Streets Audit LLP Chartered Accountants and Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers Lloyds Bank plc
 24 Mercer Row
 Louth
 Lincolnshire
 LN11 9JH

Internal Auditor Duncan & Toplis
 15 Chequergate
 Louth
 LN11 0LJ

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report for charity law and a directors' report under company law.

The academy is responsible for providing education to students aged 2-11. This includes establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Structure, Governance and Management

Constitution

The academy is a charitable company limited by guarantee with no share capital and an exempt charity. The academy was incorporated on 13 August 2012 in the name of Huttoft Primary School (Academy). The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The governors act as the trustees for the charitable activities of the academy and are also the directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year are included in the Reference and Administrative Details on Page 1.

Member's 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

Subject to the provisions of the Companies Act 2006, every governor or other officer or auditor of the academy shall be indemnified out of the assets of the academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Details of the insurance purchased by the academy is given in note 12 to the accounts.

Method of Recruitment and Appointment or Election of Governors

The appointment / election of governors is set out in the academy's articles of association. The academy aims to recruit governors from the local area covering a wide range of expertise. The term of office for any governor is 4 years with the exception of the Headteacher and the Members who have an unrestricted term of office.

The articles of association of Huttoft Primary School (Academy) require the academy to:

- Appoint an Accounting Officer.
- Abide by the Academies Financial Handbook.
- Approve the annual budget.
- Prepare accounts.
- File and publish audited accounts.
- Have a Charging Policy.
- Have a mechanism to receive donations.
- Formulate how grants can be spent.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

In addition the articles require the academy to set out the constitution including:

- Objectives.
- Powers.
- Benefits to members and directors.
- Membership and conduct of meetings.
- Directors and conduct of meetings.

Policies and Procedures Adopted for the Induction and Training of Governors

All governors are provided with copies of the academy's Code of Conduct for governors, minutes of full Governing Body meetings, budget setting plans and other documents that they will need to undertake their role as governors. In addition the members of the Finance Committee receive regular financial reports.

All governors have access to a range of training programmes including e-learning and membership of the National Governance Association.

Organisational Structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the Governors and the Senior Leadership Team.

Subcommittees operate for Finance (with executive powers), Pupil Wellbeing, Standards, Policy and Staffing. Terms of reference for each committee are in place to clearly identify the remit of the work they undertake.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The academy's pay policies (one for teaching staff and one for support staff) detail the arrangements for setting the pay and remuneration of all staff at the academy. The pay structures within both pay policies are in full accordance with national pay scales for all roles - this includes the pay of key management personnel.

Related Parties and Other Connected Charities and Organisations

At the present time, the academy does not have any connected charities and organisations. Governors complete an annual declaration of business interests. Disclosure of related party transactions and balances is given in note 28.

Objectives and Activities

Objects and Aims

The vision of the school is to 'provide a high quality education for the children in our care'. This vision will be achieved through the following aims:

- Teach each child to read and write.
- Teach each child to read numbers in everyday circumstances.
- Encourage each child to converse and clearly express their needs.
- Encourage each child to become self confident. To this end, children's work will be valued and displayed.
- Encourage politeness and a caring attitude throughout the school.
- Develop whatever specific skills and abilities each child may possess to maximise their attainment.
- Teach each child to value the work and opinions of others.
- Offer a happy, safe and secure environment in a family atmosphere.
- Ensure that the children's transition to the secondary school is as smooth as possible.
- Ensure that parents have the opportunity to see their children at work and discuss their individual progress with teachers.
- Encourage, parents, governors and members of the community to participate fully in the life of the school.
- Offer visitors to the school a friendly welcome.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, Strategies and Activities

The main objectives of the academy during the year ended 31 August 2022 have been:

- Securing and maintaining consistently high standards of teaching and learning and achievement across the curriculum with a particular focus on spelling, punctuation, grammar and maths.
- Improving the learning environment by enhancing and extending facilities to better support learning.
- Deliver effective financial management and reporting.
- Developing the work of the governing body in line with the external review of governance.

Public Benefit

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's objectives and aims and in future planning activities for the year. Given the activities of the academy and the pupil population that it services, the governors consider that the academy's aims are demonstrably to the public benefit.

Achievements and Performance

Review of Activities including Key Performance Indicators

The report for this academic year, whilst being a more complete year, still found the shadow of COVID lingering with its challenges of staffing and children's absence. Despite the many challenges that this produced the academy continued to develop the curriculum and moved forward with many improvements across the school.

Our key focus has been the development of reading across the school starting with early reading through phonics and continuing into early reading. We have seen a great deal of success with this initiative and pleasing results for our end of year data across the school.

Leadership across the school has developed and now all staff have a role to play in the middle leadership of the school through our Curriculum teams. In one area we have a Teaching Assistant leading PE supported by other staff.

The 11+ qualification rate for entry to grammar school in September 2021 was once again significantly above the national average with 77% of children that took the 11+ meeting the required standard and eventually going on to attend grammar school.

In analysing school data to measure the impact of the strategies we employed for the performance of all children in the academic year 2021/22 we have drawn from our own internal school data for phonics, KS1 & KS 2 and compared it with national and local data. We have also looked at the non-academic, nurturing progress including children's social, emotional, personal health and general wellbeing. The impact on our youngest pupils had been particularly acute.

It is clear from our school's results that all children in all groups have not made the progress we would have expected pre pandemic and indeed would have had hoped for. In Year 6 fewer children are at age related expected standard in Maths, Writing and GPS are below our 2019 results. Our Reading results however were pleasing with 71% of children achieving at Age Related Expectation.

The DfE have taken the decision not to publish data for schools as it realises the impact of the pandemic on education and the disruption caused to it by the pandemic. The DfE has shared our school's 2022 performance data with us, to help us better understand the impact of the pandemic on our pupils and how this varies between different groups of pupils. As a direct result of the pandemic, it is clear that using data from this set to measure improvements is fraught with challenges and no clear direct assessment and comparison can be made. The pandemic has affected different children in different ways, academically of course but also socially and emotionally. Post pandemic we found that children returned to school lacking resilience and were demanding of staff time needing reassurance for all they did. We found that they had become risk averse and in the first instance needed emotional and wellbeing support.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The pandemic not only had an impact on time lost for education but as previously stated it had an impact on children's emotional ability to learn and their stamina for learning and concentrating; how children learn and what they were capable of achieving.

Staff have had significant training in many areas of school development. This CPD was primarily linked to the School Development Plan priorities and saw major investment in training for the Curriculum and Reading echoing the investment the academy has made in resources for these areas.

This year we have continued to invest in the Nursery infrastructure ensuring we have the capacity to deliver excellence from the minute children walk into our school from the age of two. We have enhanced provision and ensured children have the resources to enable practitioners to deliver excellence from day one.

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future.

However, an agreement is in place for the transfer of the academy to a trust which would result in the transfer of assets and liabilities on a going concern basis.

Further details regarding the basis of preparation can be found in the Accounting Policies.

Financial Review

Financial Results and Position

The academy held fund balances at 31 August 2022 of £1,671,561 comprising restricted funds excluding pension reserve of £65,291, a pension reserve deficit of £nil and restricted fixed asset funds of £1,606,270.

Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

Whilst the SoFA shows a deficit before actuarial adjustments of £82,187 (2021 - £46,467), the results for the year include costs relating to the valuation of the LGPS deficit of £117,000 (2021 - £85,000) and a net capital surplus of £5,016 (2021 - deficit of £11,544). Therefore, overall the academy has achieved a net revenue surplus excluding pension for the year of £29,797 (2021 - £50,077).

The academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. At the year-end, the academy's share of the balance was assessed to be an asset of £133,000. The asset has not been recognised in the accounts on the grounds that it will not be recouped by reduced contributions or refunds in light of the transfer to a multi-academy trust.

Reserves Policy

The academy's policy is to carry forward a prudent level of resources. Due to anticipated cuts in funding, the situation will be kept under review. The reserves of the academy are reviewed regularly. The governors continue to set budgets showing a surplus in order to encourage the build up of reserves.

At the year-end, restricted funds excluding the pension reserve are a surplus of £65,291. Further details of the breakdown of funds balances at the year-end are given in Note 17.

At the year-end, reserves of £1,606,270 can only be realised by disposing of tangible fixed assets.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Investment Policy

At the present time the academy does not have sufficient spare resources to invest.

Principal Risks and Uncertainties

Major risks to which the academy is exposed are constantly being identified and reviewed. Systems and procedures have been established to manage those risks. The internal control systems and the exposure to risks are matters that are considered on a regular basis by management and the governors. The governors consider that significant risks include:

- the continued pressure to maintain teaching standards and pupil achievement within the constraints of the current funding formula;
- the need to recruit and retain staff with appropriate skills to deliver high quality education, management and development of the academy;
- the financial risks associated with fluctuations in pupil numbers - pupil numbers are remaining steady; and
- the development of the academy in line with changes in Central and Local Government policies.

Fundraising

The academy undertakes fundraising activities both for itself and for the wider community. It welcomes donations or contributions which will assist in the provision of resources, maintenance of assets and enrichment activities for pupils. All fundraising is undertaken in line with recognised standards.

Plans for Future Periods

The academy will continue to work to raise both the aspirations and outcomes of all its pupils at whatever age.

Auditor

Insofar 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 15th December 2022 and signed on its behalf by:



P Brewster
Chair of Governors

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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 Huttoft Primary School (Academy) 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.

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

Governor	Meetings attended	Out of a possible
F Anderson	3	4
P Brewster	2	2
A Culley	6	6
D Davey, Headteacher and Accounting Officer	5	6
A Graves	2	4
K Hayes	3	3
R Larthwell	1	2
J Mullen	6	6
D Porter-Robinson	4	4
W Smalley	6	6

There have been a number of changes in the year with the resignation of 4 governors and appointment of 2 governors as the academy has continued towards its transfer to a multi-academy trust.

Conflicts of Interest:

The academy maintains an up-to-date register of interests which is visible on its website. Declarations of any interest in any agenda items are made at the beginning of any meetings. Governors are excluded from any decision-making where any interest exists.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance Reviews:

The committee structure of the governing body is reviewed to maximise the distribution of the skills and knowledge of all governing body members. The most recent Skills Audit was undertaken in the autumn of 2020 in line with our two yearly cycle.

We continue to utilise the support from the National Governance Association and we have used the online courses to advance the knowledge and skills set of the governing body.

The Finance and Audit Committee is a sub-committee of the main board of governors. Its purpose is to support the accounting officer in the day-to-day running of the financial affairs of the academy and to oversee its systems of internal control.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Culley	0	5
D Davey	5	5
D Porter-Robinson	5	5

Review of value for money

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

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

- Monitored heating oil prices and purchased when oil was at its lowest.
- Two teaching assistant temporary contracts not renewed.
- Repair and maintenance tasks are now carried out by local tradesman where possible rather than large companies.
- Printing in black and white where necessary.
- New teachers employed in the year have been main scale teachers.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Huttoft Primary School (Academy) for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the Finance and Audit 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; and
- identification and management of risks.

The board of governors has decided to employ Duncan & Toplis as internal auditor.

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

- Income and Expenditure.
- Payroll.
- Compliance.
- Budgets and Monitoring.
- Bank, Cash and Credit Card Controls.

The internal auditor reports to the board of governors through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

The agreed scope of work was covered across two visits during the year. No high risk matters were identified. Other Issues identified have been discussed and remedial action has been taken.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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:

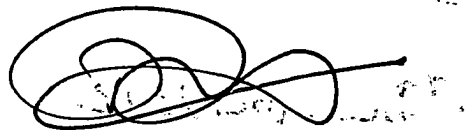
- the work of the internal auditor;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework; and
- the work of the external auditors.

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

Approved by order of the members of the board of governors on 15th December 2022 and signed on their behalf by:



P Brewster
Chair of Governors



D Davey
Accounting Officer

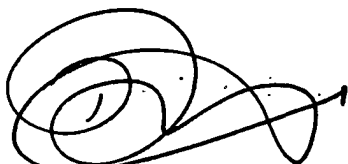
HUTTOFT PRIMARY SCHOOL (ACADEMY)
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Huttoft Primary School (Academy) I have considered my responsibility to notify the academy board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academy Trust Handbook 2021.

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



D Davey
Accounting Officer

Date:

15th December 2022

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on
15th December 2022 and signed on its behalf by:



P Brewster
Chair of Governors

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUTTOFT PRIMARY SCHOOL (ACADEMY)**

Opinion

We have audited the financial statements of Huttoft Primary School (Academy) (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to note 1.2 to the financial statements which explains that the governors intend to transfer the academy to a multi-academy trust and then liquidate the academy. Therefore they do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1.2. Our opinion is not modified in respect of this matter.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUTTOFT PRIMARY SCHOOL (ACADEMY) (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUTTOFT PRIMARY SCHOOL (ACADEMY) (CONTINUED)**

Responsibilities of governors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy through discussions with the governors and other management, and from our commercial knowledge and experience of the academy and the education sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety and pupil safeguarding legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUTTOFT PRIMARY SCHOOL (ACADEMY) (CONTINUED)**

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the academy's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

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

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUTTOFT PRIMARY SCHOOL (ACADEMY) (CONTINUED)**

Use of our report

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



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants and Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 16 December 2022

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUTTOFT
PRIMARY SCHOOL (ACADEMY) AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

This report is made solely to Huttoft Primary School (Academy) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Huttoft Primary School (Academy) 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 Huttoft Primary School (Academy) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Huttoft Primary School (Academy)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Huttoft Primary School (Academy)'s funding agreement with the Secretary of State for Education dated 7 September 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUTTOFT
PRIMARY SCHOOL (ACADEMY) AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson
Streets Audit LLP
Chartered Accountants and Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 16 December 2022

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	3,879	-	6,028	9,907	12,286
Other trading activities	4	-	3,051	-	3,051	8,538
Investments	5	11	-	-	11	7
Charitable activities		42,345	1,051,532	-	1,093,877	1,046,051
Total income		46,235	1,054,583	6,028	1,106,846	1,066,882
Expenditure on:						
Charitable activities	7,8	46,235	1,125,929	16,869	1,189,033	1,113,349
Total expenditure		46,235	1,125,929	16,869	1,189,033	1,113,349
Net income / (expenditure)		-	(71,346)	(10,841)	(82,187)	(46,467)
Transfers between funds	17	-	(15,857)	15,857	-	-
Net movement in funds before other recognised gains/(losses)		-	(87,203)	5,016	(82,187)	(46,467)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,174,000	-	1,174,000	(146,000)
Defined benefit pension scheme asset not recognised	25	-	(133,000)	-	(133,000)	-
Net movement in funds		-	953,797	5,016	958,813	(192,467)

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	-	(888,506)	1,601,254	712,748	905,215
Net movement in funds	-	953,797	5,016	958,813	(192,467)
Total funds carried forward	-	65,291	1,606,270	1,671,561	712,748

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

The notes on pages 26 to 54 form part of these financial statements.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)
REGISTERED NUMBER: 08177181

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	1,606,270	1,601,254
		<u>1,606,270</u>	<u>1,601,254</u>
Current assets			
Debtors	14	30,885	23,465
Cash at bank and in hand		119,695	69,938
		<u>150,580</u>	<u>93,403</u>
Creditors: amounts falling due within one year	15	(85,289)	(57,322)
Net current assets		<u>65,291</u>	<u>36,081</u>
Total assets less current liabilities		<u>1,671,561</u>	<u>1,637,335</u>
Creditors: amounts falling due after more than one year	16	-	(587)
Net assets excluding pension asset / liability		<u>1,671,561</u>	<u>1,636,748</u>
Defined benefit pension scheme asset / liability	25	-	(924,000)
Total net assets		<u><u>1,671,561</u></u>	<u><u>712,748</u></u>

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)
REGISTERED NUMBER: 08177181

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	1,606,270	1,601,254
Restricted income funds	17	65,291	35,494
Restricted funds excluding pension asset	17	<u>1,671,561</u>	<u>1,636,748</u>
Pension reserve	17	-	(924,000)
Total restricted funds	17	<u>1,671,561</u>	<u>712,748</u>
Unrestricted income funds	17	<u>-</u>	<u>-</u>
Total funds		<u><u>1,671,561</u></u>	<u><u>712,748</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 54 were approved by the governors, and authorised for issue on 15th December 2022 and are signed on their behalf, by:



P Brewster
Chair of Governors

The notes on pages 26 to 54 form part of these financial statements.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	60,749	44,908
Cash flows from investing activities	21	(9,818)	3,257
Cash flows from financing activities	20	(1,174)	(1,174)
Change in cash and cash equivalents in the year		49,757	46,991
Cash and cash equivalents at the beginning of the year		69,938	22,947
Cash and cash equivalents at the end of the year	22, 23	<u>119,695</u>	<u>69,938</u>

The notes on pages 26 to 54 form part of these financial statements

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Huttoft Primary School (Academy) meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The governors reviewed the options available in relation to transferring the academy to a multi-academy trust and have signed an agreement in principle to join a trust which is expected within 12 months of the approval of the financial statements. When this occurs, the assets and liabilities of the academy will be transferred on a going concern basis and the academy will have no further purpose. The governors will then start the process of dissolving the academy.

As explained in the governors' report, the governors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis. However, as the academy will transfer on a going concern basis, no amendment has been required to the figures.

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold land	- No Depreciation
Long-term leasehold property	- No Depreciation (See Below)
Leasehold property improvement	- 10% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 33% straight line

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

Long-term leasehold property is not depreciated on the grounds of immateriality. Property is subject to regular maintenance and repair such that in the governors opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The governors consider the need for impairment at each period end.

1.8 Debtors

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash at bank and in hand represents amounts held in current bank account facilities only.

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	3,879	-	3,879
Capital Grants	-	6,028	6,028
	<u>3,879</u>	<u>6,028</u>	<u>9,907</u>

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	6,330	-	6,330
Capital Grants	-	5,956	5,956
	<u>6,330</u>	<u>5,956</u>	<u>12,286</u>

4. Income from other trading activities

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>	<i>Total funds 2021 £</i>
Staff Absence Insurance Claims	3,051	3,051	8,538
	<u>3,051</u>	<u>3,051</u>	<u>8,538</u>

5. Investment income

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>	<i>Total funds 2021 £</i>
Bank Interest Received	11	11	7
	<u>11</u>	<u>11</u>	<u>7</u>

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

6. Funding for the academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	-	790,540	790,540
Other DfE/ESFA Grants			
Pupil Premium	-	53,567	53,567
Teachers Pension Grant	-	2,481	2,481
Teachers Pay Grant	-	877	877
Universal Infant Free School Meals (UIFSM)	-	15,082	15,082
PE and Sports Funding	-	17,430	17,430
Supplementary Grant	-	9,157	9,157
Others	-	5,640	5,640
	-	894,774	894,774
Other Government Grants			
Local Authority Income	-	146,823	146,823
Other Income from the Academy's Educational Operations	42,345	-	42,345
COVID-19 Additional Funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 Funding	-	9,935	9,935
	42,345	1,051,532	1,093,877

HUTTOFT PRIMARY SCHOOL (ACADEMY)
(A company limited by guarantee)

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

6. Funding for the academy's charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	-	730,649	730,649
Other DfE/ESFA Grants			
Pupil Premium	-	41,793	41,793
Teachers Pension Grant	-	24,701	24,701
Teachers Pay Grant	-	8,742	8,742
Universal Infant Free School Meals (UIFSM)	-	20,896	20,896
PE and Sports Funding	-	17,510	17,510
Others	-	13,095	13,095
	-	857,386	857,386
Other Government Grants			
Local Authority Income	-	143,172	143,172
Other Income from the Academy's Educational Operations	25,923	-	25,923
COVID-19 Additional Funding (DfE/ESFA)			
Catch-up Premium	-	13,280	13,280
COVID-19 additional funding (non-DfE/ESFA)			
Local Authority Income	-	6,290	6,290
	25,923	1,020,128	1,046,051

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7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Operations:				
Direct Costs	771,286	-	129,666	900,952
Support Costs	83,356	79,757	124,968	288,081
	<u>854,642</u>	<u>79,757</u>	<u>254,634</u>	<u>1,189,033</u>

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational Operations:				
Direct Costs	831,124	-	34,445	865,569
Support Costs	86,745	69,802	91,233	247,780
	<u>917,869</u>	<u>69,802</u>	<u>125,678</u>	<u>1,113,349</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	<u>900,952</u>	<u>288,081</u>	<u>1,189,033</u>

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	<u>865,569</u>	<u>247,780</u>	<u>1,113,349</u>

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff Costs	837,440	828,589
Educational Supplies and Services	25,894	17,908
Educational Visits	9,742	600
Staff Development	7,890	2,744
Educational Support	5,573	2,589
Other Staff Costs	14,413	13,139
	900,952	865,569

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Pension Finance Cost	15,000	11,000
Staff Costs	114,653	84,245
Depreciation	10,841	9,982
Maintenance	38,648	36,042
Cleaning	17,403	15,175
Utilities	16,710	11,684
Rates	3,652	3,652
Insurance	3,344	3,249
Office Costs	21,331	22,007
Catering	26,800	33,980
ICT Costs	3,162	4,773
Other Professional Services	5,991	1,478
Governance Costs	10,546	10,513
	288,081	247,780

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9. Net expenditure

Net expenditure for the year includes:

	2022 £	2021 £
Operating lease rentals	5,992	6,416
Depreciation of tangible fixed assets	10,841	9,982
Fees paid to auditors for:		
- audit	4,300	4,200
- other services	2,850	2,750
	<u>2,850</u>	<u>2,750</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	655,145	645,504
Social security costs	53,078	50,749
Pension costs	243,870	216,581
	<u>952,093</u>	<u>912,834</u>
Agency staff costs	3,549	2,535
Staff restructuring costs	-	2,500
	<u>955,642</u>	<u>917,869</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	-	2,500
	<u>-</u>	<u>2,500</u>

b. Special staff severance payments

Included in staff restructuring costs are no non-statutory / non-contractual severance payments (2021 - one).

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10. Staff (continued)

c. Staff numbers

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

	2022	2021
	No.	No.
Teachers	7	8
Support and Administration	20	19
Management	3	3
	<u>30</u>	<u>30</u>

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	7	8
Support and Administration	16	16
Management	3	3
	<u>26</u>	<u>27</u>

d. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy 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 was £243,500 (2021 - £263,500).

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11. Governors' remuneration and expenses

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

		2022 £	2021 £
D Davey	Remuneration	60,000 - 65,000	60,000 - 65,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
J Mullen	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
W Smalley	Remuneration	40,000 - 45,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2022, expenses totalling £266 were reimbursed or paid directly to 2 governors (2021 - £136 to 1 governor). Expenses were only paid to staff governors and relate to the reimbursement for purchases made on behalf of the academy and mileage incurred in performing the employed role.

12. Governors' and Officers' insurance

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects governors 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 governors and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Leasehold property improvement £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2021	274,701	1,297,000	73,128	-	24,660	1,669,489
Additions	-	-	-	15,857	-	15,857
At 31 August 2022	274,701	1,297,000	73,128	15,857	24,660	1,685,346
Depreciation						
At 1 September 2021	-	-	47,534	-	20,701	68,235
Charge for the year	-	-	7,313	1,057	2,471	10,841
At 31 August 2022	-	-	54,847	1,057	23,172	79,076
Net book value						
At 31 August 2022	274,701	1,297,000	18,281	14,800	1,488	1,606,270
At 31 August 2021	274,701	1,297,000	25,594	-	3,959	1,601,254

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13. Tangible fixed assets (continued)

The long term leasehold property is subject to a 125 year lease from Lincolnshire County Council and is stated at the valuation for the building element provided to the academy by the ESFA.

14. Debtors

	2022 £	2021 £
Due within one year		
VAT recoverable	2,968	5,450
Prepayments and accrued income	27,917	18,015
	<u>30,885</u>	<u>23,465</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	587	1,174
Trade creditors	8,466	10,904
Other taxation and social security	24,020	7,561
Other creditors	23,917	17,442
Accruals and deferred income	28,299	20,241
	<u>85,289</u>	<u>57,322</u>

Other loans falling due within one year relates to an interest-free ESFA approved Salix loan. The loan is being repaid by two instalments per year and will be fully repaid by 1 September 2022. The loans are unsecured.

	2022 £	2021 £
Deferred income:		
Deferred income at 1 September	12,191	12,709
Resources deferred during the year	8,949	12,191
Amounts released from previous periods	(12,191)	(12,709)
Deferred income at 31 August	<u>8,949</u>	<u>12,191</u>

At the year-end, the academy had received funding in advance in respect of Universal Infant Free School Meals (UIFSM).

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16. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	<u>-</u>	<u>587</u>

Other loans falling due after more than one year relates to an interest-free ESFA approved Salix loan. The loan is being repaid by two instalments per year and will be fully repaid by 1 September 2022. The loans are unsecured.

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17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted Funds						
General Funds	-	46,235	(46,235)	-	-	-
Restricted General Funds						
General Annual Grant (GAG)	1,060	790,540	(736,670)	-	-	54,930
Pupil Premium Funding	8,288	53,567	(51,494)	-	-	10,361
Teachers Pension Grant	-	2,481	(2,481)	-	-	-
Teachers Pay Grant	-	877	(877)	-	-	-
Universal Infant Free Schools Meals (UIFSM)	-	15,082	(15,082)	-	-	-
PE and Sports Grant	15,514	17,430	(17,087)	(15,857)	-	-
Supplementary Grant	-	9,157	(9,157)	-	-	-
Other ESFA Grants	-	5,640	(5,640)	-	-	-
COVID-19 Catch Up Funding	10,632	-	(10,632)	-	-	-
Other ESFA COVID-19 Funding	-	9,935	(9,935)	-	-	-
Local Authority Income	-	146,823	(146,823)	-	-	-
Other Academy Income	-	3,051	(3,051)	-	-	-
Pension Reserve	(924,000)	-	(117,000)	-	1,041,000	-
	(888,506)	1,054,583	(1,125,929)	(15,857)	1,041,000	65,291

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted Fixed Asset Funds						
NBV of Fixed Assets	1,601,254	-	(10,841)	15,857	-	1,606,270
Capital Income	-	6,028	(6,028)	-	-	-
	<u>1,601,254</u>	<u>6,028</u>	<u>(16,869)</u>	<u>15,857</u>	<u>-</u>	<u>1,606,270</u>
Total Restricted Funds	<u>712,748</u>	<u>1,060,611</u>	<u>(1,142,798)</u>	<u>-</u>	<u>1,041,000</u>	<u>1,671,561</u>
Total Funds	<u><u>712,748</u></u>	<u><u>1,106,846</u></u>	<u><u>(1,189,033)</u></u>	<u><u>-</u></u>	<u><u>1,041,000</u></u>	<u><u>1,671,561</u></u>

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

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

Unrestricted Funds:

General Funds - those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. The policy of the academy is to utilise these funds in priority to current year GAG income.

Restricted Funds:

General Annual Grant (GAG) - represents the annual funding received from the ESFA to be used to cover the running costs of the academy.

Other ESFA Income - individually material other ESFA grants have been separately disclosed in the funds analysis above with each representing funding received for specific purposes.

Other Government Income - the funding has been split between COVID-19 and non-COVID-19 funding from the local authority which must be used for the specific purposes intended.

Other Academy Income - represents other income received which must be used for the specific purposes intended.

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

Restricted Fixed Asset Funds:

Capital Income - represents ESFA income for which the specific purpose of capital expenditure has been imposed by the funder.

NBV of Fixed Assets - represents the net book value of buildings transferred to the academy by the Local Authority upon conversion and assets subsequently funded by ESFA and other funding.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted Funds						
General Funds	-	32,260	(32,260)	-	-	-
Restricted General Funds						
General Annual Grant (GAG)	(21,756)	730,649	(705,127)	(2,706)	-	1,060
Pupil Premium Funding	7,173	41,793	(40,678)	-	-	8,288
Teachers Pension Grant	-	24,701	(24,701)	-	-	-
Teachers Pay Grant	-	8,742	(8,742)	-	-	-
Universal Infant Free Schools Meals (UIFSM)	-	20,896	(20,896)	-	-	-
PE and Sports Grant	-	17,510	(1,996)	-	-	15,514
Other ESFA Grants	-	13,095	(13,095)	-	-	-
COVID-19 Catch Up Funding	-	13,280	(2,648)	-	-	10,632
Local Authority Income	-	143,172	(143,172)	-	-	-
Local Authority COVID-19 Income	-	6,290	(6,290)	-	-	-
Other Academy Income	-	8,538	(8,538)	-	-	-
Pension Reserve	(693,000)	-	(85,000)	-	(146,000)	(924,000)
	<u>(707,583)</u>	<u>1,028,666</u>	<u>(1,060,883)</u>	<u>(2,706)</u>	<u>(146,000)</u>	<u>(888,506)</u>

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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted Fixed Asset Funds						
NBV of Fixed Assets	1,608,530	-	(9,982)	2,706	-	1,601,254
Capital Income	4,268	5,956	(10,224)	-	-	-
	<u>1,612,798</u>	<u>5,956</u>	<u>(20,206)</u>	<u>2,706</u>	<u>-</u>	<u>1,601,254</u>
Total Restricted Funds	<u>905,215</u>	<u>1,034,622</u>	<u>(1,081,089)</u>	<u>-</u>	<u>(146,000)</u>	<u>712,748</u>
Total Funds	<u>905,215</u>	<u>1,066,882</u>	<u>(1,113,349)</u>	<u>-</u>	<u>(146,000)</u>	<u>712,748</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	1,606,270	1,606,270
Current assets	150,580	-	150,580
Creditors due within one year	(85,289)	-	(85,289)
Total	<u>65,291</u>	<u>1,606,270</u>	<u>1,671,561</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	1,601,254	1,601,254
Current assets	93,403	-	93,403
Creditors due within one year	(57,322)	-	(57,322)
Creditors due in more than one year	(587)	-	(587)
Provisions for liabilities and charges	(924,000)	-	(924,000)
Total	(888,506)	1,601,254	712,748

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(82,187)	(46,467)
Adjustments for:		
Depreciation	10,841	9,982
Capital grants from the ESFA	(6,028)	(5,956)
Interest receivable	(11)	(7)
Defined benefit pension scheme administration expense	1,000	1,000
Defined benefit pension scheme cost less contributions payable	101,000	73,000
Defined benefit pension scheme finance cost	15,000	11,000
(Increase)/decrease in debtors	(7,420)	3,675
Increase/(decrease) in creditors	28,554	(1,319)
Net cash provided by operating activities	60,749	44,908

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20. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(1,174)	(1,174)
Net cash used in financing activities	(1,174)	(1,174)

21. Cash flows from investing activities

	2022 £	2021 £
Bank interest received	11	7
Purchase of tangible fixed assets	(15,857)	(2,706)
Capital grants from the ESFA	6,028	5,956
Net cash (used in)/provided by investing activities	(9,818)	3,257

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	119,695	69,938
Total cash and cash equivalents	119,695	69,938

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	69,938	49,757	-	119,695
Debt due within 1 year	(1,174)	1,174	(587)	(587)
Debt due after 1 year	(587)	-	587	-
	68,177	50,931	-	119,108

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24. Contingent liabilities

In the event of Huttoft Primary School (Academy) ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

25. Pension commitments

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

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

Contributions amounting to £20,421 were payable to the schemes at 31 August 2022 (2021 - £15,885) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £93,500 (2021 - £95,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £62,000 (2021 - £63,000), of which employer's contributions totalled £48,000 (2021 - £49,000) and employees' contributions totalled £14,000 (2021 - £14,000). The agreed contribution rates for future years are 19.7% for employers and a maximum of 12.5% for employees.

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

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

Principal actuarial assumptions

	2022	2021
	%	%
Pension Increase Rate	2.90	2.85
Salary Increase Rate	3.20	3.15
Discount Rate	4.20	1.70

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.5
Females	23.7	23.8
<i>Retiring in 20 years</i>		
Males	22.1	22.5
Females	25.1	25.3

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25. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
0.1% Decrease in Discount Rate	33	66
0.1% Increase in Salary Increase Rate	5	10
0.1% Increase in Pension Increase Rate	29	55

The defined benefit pension scheme liability is based on the principal actuarial assumptions disclosed above as at the 31 August 2022. These can and do change after the year end. The sensitivity analysis above shows how the year-end position would change based on increases / decreases to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme liability by next year-end. Post year-end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts and would not be value for money.

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	881,000	821,000
Bonds	143,000	163,000
Property	153,000	118,000
Cash	28,000	44,000
Total market value of assets	1,205,000	1,146,000

The actual return on scheme assets was £2,000 (2021 - £193,000).

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

	2022	2021
	£	£
Current service cost	(149,000)	(122,000)
Interest income	20,000	16,000
Interest cost	(35,000)	(27,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(165,000)	(134,000)

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25. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	2,070,000	1,591,000
Current service cost	149,000	122,000
Interest cost	35,000	27,000
Employee contributions	14,000	14,000
Changes in assumptions	(1,192,000)	323,000
Benefits paid	(4,000)	(7,000)
At 31 August	1,072,000	2,070,000

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

	2022 £	2021 £
At 1 September	1,146,000	898,000
Interest income	20,000	16,000
Return on scheme assets (excluding net interest)	(18,000)	177,000
Employer contributions	48,000	49,000
Employee contributions	14,000	14,000
Benefits paid	(4,000)	(7,000)
Administration expenses	(1,000)	(1,000)
At 31 August	1,205,000	1,146,000

The actuarial report valued a pension scheme surplus of £133,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan in light of the academy's transfer to a multi-academy trust.

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26. Operating lease commitments

At 31 August 2022 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Not later than 1 year	5,991	5,991
Later than 1 year and not later than 5 years	13,980	19,972
	<u>19,971</u>	<u>25,963</u>

27. Members' liability

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

28. Related party transactions

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

Expenditure Related Party Transactions:

T Davey, a relative of D Davey, a governor, is employed by the academy as a teacher. T Davey's appointment was made in open competition and D Davey was not involved in the decision-making process regarding appointment. T Davey is paid within the normal pay scale for the role and receives no special treatment as a result of the relationship to a governor.

C Larthwell, a relative of R Larthwell, a governor, is employed by the academy as a teaching assistant and midday supervisor. The employment of C Larthwell as an employee preceded the appointment of R Larthwell as a governor. C Larthwell is paid within the normal pay scales for the roles and receives no special treatment as a result of the relationship to a governor.

B Culley, a relative of A Culley a governor, is employed by the academy as a teaching assistant. The employment of B Culley as an employee preceded the appointment of A Culley as a governor. B Culley is paid within the normal pay scales for the roles and receives no special treatment as a result of the relationship to a governor.