

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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FENNWOOD ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs L Burton Ms E Cheyne Ms A Hallett
Trustees	Miss J Phillips, Headteacher and Accounting Officer Mrs G Bowyer, Chair of Trustees Mr D Foxwell-Jones Mrs D Fewtrell (appointed 29 September 2021)
Company registered number	8763832
Company name	Fennwood Academy Trust
Registered and principal office	Brent Avenue South Woodham Ferrers Chelmsford Essex CM3 5SE
Company Secretary	Mrs L Jones
Senior Management Team	Miss J Phillips, Headteacher and Accounting Officer Mr P White, Deputy Headteacher (appointed 1 September 2021) C Sorrell, Assessment Leader
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Fennwood Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust is constituted as a Multi-Academy Trust but currently operates one primary Academy School (the School or the Academy) serving a catchment area in Mid Essex. The School has a capacity of 420 and had a roll of 423 in the summer 2022 census.

Structure, Governance and Management

The Trust is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academy:

- Woodville Primary School (Woodville, the Academy or the School) converted on 1 December 2013

The operation of The Academy and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Audit, Finance and Premises Committee. The Trust has appointed a Local Governing Body (LGB) who have delegated authority to administer the Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the terms Trustee or Director refers to a member of the Board of Trustees and the term Governor to a member of the LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The recruitment of Trustees may be from the LGB. All Trustees are appointed under the arrangements in the Articles of Association and the Funding Agreement, each Trustee will retire after a four year term of office. However all Trustees are able to be re-appointed at the meeting at which they retire. All new appointments are made with the current skills make-up of the Trustees and Governors in mind, ensuring that the right skills are brought into the Trust at all times.

The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for no fewer than three Trustees plus the CEO.

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

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

Training courses are identified and shared at each of the Board of Trustees meetings. Trustee and Governor profiles are constantly reviewed and needs identified. The Trust follows National Governors' Association Code of Conduct for School Governing Bodies, and subscribes to the Essex Governor Services training programme. Trustees will follow the Governor training templates for induction. Essex Governor Services run specific courses for Academy Trustees. Three Trustees have attended Finance Monitoring and Budget Management for Academies. The Trust also participate in the Local Consortium Cluster Group training.

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the Committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Directors meet on at least three occasions per year and its three sub Committees (LGB, Audit, Finance, Risk and Premises Committee and Pay & Performance Committee) at least three times each per year. The Directors are responsible for the strategic direction of the Trust, setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Team (SLT) controls the Academy at an executive level implementing policies and reporting to their LGB. The SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Senior Management Team (SMT) looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust; the SMT.

Pay and remuneration of Key Management Personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to Key Management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Trustees.

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

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of an Academy to provide free education and care for pupils of different abilities within its local community between the ages of 5 and 11.

Our Vision

Our Vision is to prepare our children to be ready for the challenges of the future: to be able to work both collaboratively and independently; to have respect and empathy towards others; to develop a lifelong love of learning; and to have the confidence and determination to achieve their goals.

We adopt an exciting, creative delivery of the curriculum, ensuring that all our children are motivated to learn and receive their entitlement of a broad and balanced education, building on key skills and knowledge. We endeavour to create an open, vibrant and friendly environment where individual children's needs are met. This will enable them to flourish in our School and achieve their full potential.

This will be achieved by providing:

- A safe, secure and happy learning environment where each child is valued and inspired to achieve all that they can;
- A dedicated, innovative and aspirational staff team who are committed to delivering excellent learning;
- An engaging, creative, broad based curriculum which is personalised to meet the needs of the whole child;
- A community of high challenge and high support; and
- Teaching and learning which both promotes teamwork and independence, challenge and support.

We aim to:

- Develop independence and responsibility in the individual;
- Promote British Values throughout the School;
- Nurture social, mental and emotional security;
- Promote positive relationships with all members of our School and the local community;
- Develop the use of new technologies that stimulate and extend boundaries of learning;
- Promote enjoyment and exciting experiences in all areas of School life that extend beyond the classroom;
- Give the opportunity for every child to have a 'voice' and take on responsibilities within the School; and
- Give every child the best educational start in life that we can so that they have the ambition to succeed.

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

Objectives, Strategies and Activities

Our objectives, strategies and activities are:

- Providing an outstanding provision;
- Providing continuous professional development for staff;
- To ensure pupil numbers are constant;
- Enhanced sport provision;
- Wellbeing for pupils using the Thrive Approach;
- Working in partnership with other schools and promoting the Fennwood Trust;
- Wellbeing and reduced workload for staff; and
- Provide a rich, progressive curriculum.

Public Benefit

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

Strategic Report

Achievements and Performance

Specific Strengths

Our strengths are supported through the following:

- Ofsted judgement of Outstanding – February 2020;
- Curriculum provision creative, progressive and skills based;
- Excellent learning behaviours from the pupils;
- Wellbeing and work life balance;
- Consistently good/outstanding teaching and learning;
- High standards achieved by the pupils in all subjects;
- Inclusion for all pupils and good SEND provision;
- Strong middle leadership;
- Pupil voice;
- Supportive and effective Governance;
- High range of extra curricular clubs;
- Wellbeing for pupils using the Thrive Approach.

Key Performance Indicators

The Trustees receive regular monthly information, sent out by email, for discussion at the Committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers at the end of 2021/22 were 423 against a forecast of 416.

Another key financial performance indicator is staffing costs as a percentage of total income. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Directors.

The LGB also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Directors.

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

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1.2.

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received £2,392,178 of GAG and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,115,049 on general running costs (excluding capital projects, depreciation and LGPS pension adjustments).

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	1,986,944	86,518	318,716	-	2,392,178
Resources Expended	(1,977,884)	(137,165)	(286,115)	-	(2,401,164)
LGPS Charge	-	-	-	(274,000)	(274,000)
Depreciation	-	-	(83,065)	-	(83,065)
Employer contributions paid	-	-	-	109,000	109,000
Total Resources Expended	(1,977,884)	(137,165)	(369,180)	(165,000)	(2,649,229)
Assets Purchased from GAG	-	-	-	-	-
Actuarial Gains	-	-	-	1,073,000	1,073,000
Surplus / (Deficit) for the year	9,060	(50,647)	(50,464)	908,000	815,949
Balance at 1 September 2021	-	84,371	3,877,970	(1,206,000)	2,756,341
Balance at 31 August 2022	9,060	33,724	3,827,506	(298,000)	3,572,290

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £298,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £908,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

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Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £33,724. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £42,784.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £297,523. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the Business Manager reports and attempt to hold sufficient cash to cover short term cash flow variances.

Investment Policy

An Investment Policy was approved by the Trustees in March 2019. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the LGB in maintaining a central risk register identifying the major risks, to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trustees via the Audit, Finance, Risk and Premises Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit, Finance, Risk and Premises meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

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

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

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

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;

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- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - The Trust has appointed Juniper Education Finance ICE Service to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

Fundraising Practices

The Parent Teacher Association of Fennwood Academy Trust/Woodville Primary School held many fundraising events this academic year. £6,232 was donated to the School and was used to support learning outcomes across the all year groups, these included KS1 disco, Shakespeare Theatre visit, History off the Page and Seaside Day, items for our Thrive room, to name a few. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Plans for Future Periods

The Trust is approved as a sponsor and plans to:

- Increase the number of Academies in the Fennwood Academy Trust;
- Ensure that any new Schools within the Trust achieve a judgement of 'good' or 'outstanding' by Ofsted;
- Recruit and retain high quality, skilled and trained staff;
- Offer a progressive, exciting, broad curriculum, with clear intent, implementation and impact measures resulting in high aspirations and achievements for all pupils; and
- Retain the judgement of 'outstanding' by Ofsted.

During the year the Trust has worked towards these aims by:

- maintaining our 'Outstanding' status from Ofsted;
- working in partnership with the South Woodham Ferrers Schools;
- benchmarking standards with other 'outstanding' schools;
- working with an external consultant to provide high quality CPD; and
- offering teacher training opportunities.

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

Our success in fulfilling our aims can be measured by:

- High standards achieved by Woodville Primary School;
- Triangulation of monitoring in the School;
- Quality CPD for staff linked to the School key priorities; and
- good financial management of resources;

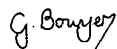
Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, on and signed on its behalf by:

21 Dec 2022



G. Bowyer (Dec 21, 2022, 12:19pm)

Gillian Bowyer
Chair of Trustees

FENNWOOD ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Fennwood Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met less than 6 times during the year. The Board is satisfied that through the use of sub-committees it maintained effective oversight. Meetings were back to face to face now that COVID restrictions have been lifted.

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

Trustee	Meetings attended	Out of a possible
Miss J Phillips, Headteacher and Accounting Officer	4	4
Mrs G Bowyer, Chair of Trustees	4	4
Mr D Foxwell-Jones	3	4
Mrs D Fewtrell	3	4

Review of year:

Key changes in the Trustees took place in September 2021 when Gillian Bowyer was elected as the Chair of Trustees and Dawn Fewtrell as the Chair of the Audit, Finance, Risk & Premises Committee.

Governance reviews:

There are internal self-evaluation reviews of the Trustees that have taken place during the meetings and a skills audit is used when recruiting new members for the Board.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

The Audit, Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- reviewing the Trust's internal and external financial statements and reports to ensure that they reflect best practice;
- discussing with the external Auditor the nature and scope of each forthcoming audit and to ensure that the external Auditor has the fullest co-operation of staff;
- considering all relevant reports by the appointed external Auditor, including reports on the Trust's accounts, achievement of value for money and the response to any management letters;
- reviewing the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- receiving and commenting on the content of any audit report or Responsible Officer report relating to Education Funding Agency funding and monitoring the implementation of the agreed action plan.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Miss J Phillips, Headteacher and Accounting Officer	3	3
Mrs D Fewtrell	3	3
Mrs G Bowyer, Chair of Trustees	3	3
Mr D Foxwell-Jones	2	3

Review of value for money

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

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

- regularly review the functions of the Academy and challenge;
- monitoring outcomes of the students and financial performance and comparing with other Academies;
- consulting appropriate stakeholders before major decisions are made; and
- promoting fair competition through quotations and tenders.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fennwood Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. Unfortunately due to COVID-19 all checks were completed remotely. These are now back to face to face for the academic year 22/23.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust'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 Trustees.

The risk and control framework

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

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

Internal Scrutiny/Audit

The Board of Trustees has considered the need for a specific Internal Audit function and has decided to appoint Juniper Education as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Checks were completed remotely. In particular, the checks carried out in the current period included:

Visit 1

- Governance Framework
- Financial Governance

Visit 2

- Financial Governance
- Income

Visit 3

- Procurement
- Governance Framework
- Payroll

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit, Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an Annual Summary Report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

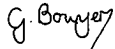
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor;
- the financial management and governance self-assessment process;
- the School resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the 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 Audit, Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 21 Dec 2022

and signed on their behalf by:



G Bowyer (Dec 21, 2022, 12:19pm)

Gillian Bowyer
Chair of Trustees



Jacqui Phillips (Dec 21, 2022, 1:15pm)

Jacqui Phillips
Accounting Officer

FENNWOOD ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

J. Phillips

Miss J Phillips (21, 2022, 1:15pm)

Accounting Officer

Date:

21 Dec 2022

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

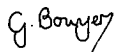
The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

Approved by the Board of Trustees on
on its behalf by:

21 Dec 2022

and signed



Mrs G Bowyer
Chair of Trustees

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FENNWOOD ACADEMY TRUST**

Opinion

We have audited the financial statements of Fennwood Academy Trust (the 'Trust') 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 Trust'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 Trust 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that that Trust has low levels of reserves and needs to make cost savings, as a result the Trust is vulnerable to any unexpected large costs that may occur and may require additional funding from the ESFA. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the Trust's ability to continue to adopt the going concern basis of accounting included review of the Trust's budgets, current cash position, latest management accounts and proposed cost savings.

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

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

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:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

Use of our Report

This Report is made solely to the Trust'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 Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 22 December 2022

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 6 July 2022 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 Fennwood Academy Trust 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 Fennwood Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fennwood Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fennwood Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Fennwood Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Fennwood Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2013 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.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 Trust's income and expenditure.

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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.

Reporting Accountant
Price Bailey LLP
Chartered Accountants

Date: 22 December 2022

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Income from:						
Donations and capital grants	3	-	42,789	318,716	361,505	25,726
Other trading activities	5	53,691	-	-	53,691	33,873
Investments	6	32	-	-	32	42
Charitable activities	4	32,795	1,944,155	-	1,976,950	1,883,891
Total income		86,518	1,986,944	318,716	2,392,178	1,943,532
Expenditure on:						
Charitable activities	7	137,165	2,142,884	369,180	2,649,229	2,046,515
Total expenditure		137,165	2,142,884	369,180	2,649,229	2,046,515
Net expenditure before other recognised gains and losses		(50,647)	(155,940)	(50,464)	(257,051)	(102,983)
Actuarial gains on defined benefit pension schemes	22	-	1,073,000	-	1,073,000	22,000
Net movement in funds		(50,647)	917,060	(50,464)	815,949	(80,983)
Reconciliation of funds:						
Total funds brought forward		84,371	(1,206,000)	3,877,970	2,756,341	2,837,324
Net movement in funds		(50,647)	917,060	(50,464)	815,949	(80,983)
Total funds carried forward		33,724	(288,940)	3,827,506	3,572,290	2,756,341

The notes on pages 25 to 48 form part of these financial statements.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 8763832

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,652,255	3,600,599
Current assets			
Debtors	14	226,101	221,783
Cash at bank and in hand		297,523	304,997
		<u>523,624</u>	<u>526,780</u>
Creditors: amounts falling due within one year	15	(305,589)	(165,038)
Net current assets		<u>218,035</u>	<u>361,742</u>
Total assets less current liabilities		<u>3,870,290</u>	<u>3,962,341</u>
Defined benefit pension scheme liability	22	(298,000)	(1,206,000)
Total net assets		<u><u>3,572,290</u></u>	<u><u>2,756,341</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	3,827,506	3,877,970
Restricted income funds	16	9,060	-
		<u>3,836,566</u>	<u>3,877,970</u>
Restricted funds excluding pension liability	16	3,836,566	3,877,970
Pension reserve	16	(298,000)	(1,206,000)
Total restricted funds	16	<u>3,538,566</u>	<u>2,671,970</u>
Unrestricted income funds	16	<u>33,724</u>	<u>84,371</u>
Total funds		<u><u>3,572,290</u></u>	<u><u>2,756,341</u></u>

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

G. Bowyer

21 Dec 2022

G Bowyer (Dec 21, 2022, 12:19pm)
Mrs G Bowyer
Chair of Trustees

FENNWOOD ACADEMY TRUST
(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 (used in)/provided by operating activities	18	(66,579)	740,726
Cash flows from investing activities	19	59,105	(557,570)
Change in cash and cash equivalents in the year		(7,474)	183,156
Cash and cash equivalents at the beginning of the year		304,997	121,841
Cash and cash equivalents at the end of the year	20, 21	<u>297,523</u>	<u>304,997</u>

The notes on pages 25 to 48 form part of these financial statements

FENNWOOD ACADEMY TRUST
(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 Trust, 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.

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

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that whilst it is expected that the Trust has adequate resources to continue in operational existence for the foreseeable future and they have continued to adopt the going concern basis of accounting in preparing the financial statements they have concluded that there are material uncertainties that may cast significant doubt on the Trust's ability to continue as a going concern. .

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £42,784 leaving the Trust in a vulnerable financial position. The Trust is implementing a series of cost saving measures and is looking to raise additional income. Through these measures the Trustees believe that it is correct to adopt the going concern basis and that the Trust can continue for a further 12 months however should any large unexpected costs arise it may be necessary to request additional funding from the ESFA.

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1.3 Company status

The Trust is a company limited by guarantee. The Members are noted on page 3. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

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 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.

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

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Government grants

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

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Interest receivable

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

1.8 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. Freehold land is not depreciated.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Furniture and equipment	- 10% straight line with nil residual value
Computer equipment	- 20% straight line with nil residual value

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust 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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.13 Pensions

Retirement benefits to employees of the Trust 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees make 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 22, 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.

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3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	42,789	-	42,789	17,012
Capital grants	-	-	318,716	318,716	8,714
Total 2022	-	42,789	318,716	361,505	25,726
Total 2021	4,923	7,609	13,194	25,726	

In 2021, income from donations was £17,012 of which £7,609 was restricted, £4,480 was restricted fixed asset funds and £4,923 was unrestricted.

In 2021, capital grants of £8,714 were in relation to restricted fixed assets.

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4. Funding for the Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of Education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,734,700	1,734,700	1,567,500
Other DfE/ESFA grants				
Teachers' pay grant	-	-	-	19,596
Rates relief	-	6,605	6,605	-
Teachers' pension grant	-	-	-	55,369
Pupil premium	-	59,317	59,317	53,787
UIFSM	-	55,368	55,368	67,607
Sports premium	-	19,570	19,570	19,620
National tutoring programme	-	5,468	5,468	-
Supplementary grant	-	19,843	19,843	-
Senior mental health lead grant	-	1,200	1,200	-
Recovery premium	-	5,618	5,618	-
	-	1,901,084	1,907,689	1,783,479
Other Government grants				
Local Authority grants	-	36,466	36,466	31,988
Catering Income	32,795	-	32,795	25,383
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	33,200
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	9,841
	32,795	1,944,155	1,976,950	1,883,891
Total 2021	25,383	1,858,508	1,883,891	

In 2021, catering income of £25,383 was unrestricted. The remainder of the Academy's funding for provision of education was restricted.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	5,072	5,072	4,829
Uniform sales	-	-	1,746
Sales of educational supplies	15	15	236
Other income generated	48,604	48,604	27,062
Total 2022	53,691	53,691	33,873
Total 2021	33,873	33,873	

In 2021, all income from other trading activities was unrestricted.

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	32	32	42
Total 2021	42	42	

In 2021, all investment income was in relation to unrestricted funds.

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

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	1,561,810	-	101,859	1,663,669	1,468,344
Support costs	298,641	455,540	231,379	985,560	578,171
Total 2022	1,860,451	455,540	333,238	2,649,229	2,046,515
Total 2021	1,652,562	143,195	250,758	2,046,515	

In 2022, of the total expenditure, £137,165 (2021 - £10,540) was from unrestricted funds, £2,142,884 (2021 - £1,970,894) was from restricted funds and £369,180 (2021 - £65,081) was from restricted fixed asset funds.

In 2021, direct expenditure consisted of £1,389,097 of staff costs and £79,247 of other costs.

In 2021, support expenditure consisted of £263,465 of staff costs, £143,250 of premises costs and £171,456 of other costs.

8. Charitable Activities

	2022 £	2021 £
Direct costs	1,663,669	1,468,344
Support costs	985,560	578,171
	2,649,229	2,046,515

	2022 £	2021 £
Analysis of support costs		
Support staff costs	298,641	263,465
Depreciation	83,065	65,081
Technology costs	27,027	37,616
Other support costs	173,360	113,367
Governance costs	30,992	12,176
Premises costs	372,475	78,169
Legal	-	8,297
	985,560	578,171

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

9. Net expenditure

Net expenditure for the year includes:

	2022 £	2021 £
Operating lease rentals	9,522	9,592
Depreciation of tangible fixed assets	83,065	65,081
Loss on disposal of fixed assets	124,922	-
Fees paid to Auditors for:		
- audit	6,850	5,270
- other services	8,220	5,130
	<u> </u>	<u> </u>

The loss on disposal relates entirely to the disposal of a demountable building owned by the Trust.

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,309,516	1,182,704
Social security costs	109,653	97,631
Pension costs	435,732	372,227
	<u> </u>	<u> </u>
	1,854,901	1,652,562
Agency staff costs	5,550	-
	<u> </u>	<u> </u>
	1,860,451	1,652,562
	<u> </u>	<u> </u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	21	19
Administration and support	63	56
Management	3	3
	<u> </u>	<u> </u>
	87	78
	<u> </u>	<u> </u>

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

10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

d. Key management personnel

The Key Management Personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Trust was £233,040 (2021 - £206,295).

Included in the total remuneration above are employer pension contributions of £40,647 (2021 - £35,716) and employer National Insurance contributions of £20,743 (2021 - £16,773).

11. Trustees' remuneration and expenses

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

		2022 £	2021 £
J Phillips	Remuneration	70,000 - 75,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Mrs G Bowyer, Chair of Trustees	Remuneration	N/A	40,000 - 45,000
	Pension contributions paid	N/A	10,000 - 15,000

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to Trustees (2021 - £159). Expense reimbursed was for Summer club activity.

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	3,354,349	543,103	73,269	112,052	4,082,773
Additions	-	259,643	-	-	259,643
Disposals	(147,698)	-	(520)	-	(148,218)
Transfers between classes	802,746	(802,746)	-	-	-
At 31 August 2022	4,009,397	-	72,749	112,052	4,194,198
Depreciation					
At 1 September 2021	380,114	-	41,967	60,093	482,174
Charge for the year	62,148	-	6,396	14,521	83,065
On disposals	(22,893)	-	(403)	-	(23,296)
At 31 August 2022	419,369	-	47,960	74,614	541,943
Net book value					
At 31 August 2022	3,590,028	-	24,789	37,438	3,652,255
At 31 August 2021	2,974,235	543,103	31,302	51,959	3,600,599

Included in the value of the freehold property is land of £902,000 which has not been depreciated.

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	-	1,645
VAT recoverable	14,586	37,101
Prepayments and accrued income	211,515	183,037
	226,101	221,783

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	22,024	28,016
Other creditors	40,152	40,309
Accruals and deferred income	243,413	96,713
	<u>305,589</u>	<u>165,038</u>
	2022 £	2021 £
Deferred income at 1 September 2021	44,866	49,071
Resources deferred during the year	44,735	44,866
Amounts released from previous periods	(44,866)	(49,071)
	<u>44,735</u>	<u>44,866</u>

Resources deferred in the period relate to deposits in relation to a residential trip, universal infant free school meal income received from the ESFA in advance of the forthcoming academic year and rates relief income received from the ESFA for the 22/23 academic year.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	84,371	86,518	(137,165)	-	-	33,724
Restricted general funds						
General Annual Grant (GAG)	-	1,734,700	(1,734,700)	-	-	-
Other Government grants	-	36,466	(36,466)	-	-	-
Other DfE/ESFA grants	-	172,989	(166,384)	-	-	6,605
Restricted donations	-	42,789	(40,334)	-	-	2,455
Pension reserve	(1,206,000)	-	(165,000)	-	1,073,000	(298,000)
	<u>(1,206,000)</u>	<u>1,986,944</u>	<u>(2,142,884)</u>	<u>-</u>	<u>1,073,000</u>	<u>(288,940)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	3,600,599	-	(207,987)	259,643	-	3,652,255
DFC	18,307	8,680	(26,408)	(579)	-	-
CIF	259,064	310,036	(134,785)	(259,064)	-	175,251
	<u>3,877,970</u>	<u>318,716</u>	<u>(369,180)</u>	<u>-</u>	<u>-</u>	<u>3,827,506</u>
Total Restricted funds	<u>2,671,970</u>	<u>2,305,660</u>	<u>(2,512,064)</u>	<u>-</u>	<u>1,073,000</u>	<u>3,538,566</u>
Total funds	<u><u>2,756,341</u></u>	<u><u>2,392,178</u></u>	<u><u>(2,649,229)</u></u>	<u><u>-</u></u>	<u><u>1,073,000</u></u>	<u><u>3,572,290</u></u>

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

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

Unrestricted funds

This represents income received that does not have restrictions.

Restricted donations

This fund largely represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

Other Government grants

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the School.

Other DfE and ESFA grants

This represents funding received from the ESFA/DfE which is restricted in nature.

A breakdown of the income within this fund appears in note 4.

Pension reserve

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

Restricted fixed asset fund

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

Devolved Formula Capital (DFC)

This represents funding received from ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

Condition Improvement Fund (CIF)

This represents capital funding awarded to the Trust from the ESFA under a bidding process for specific projects across the Trust's estate.

The transfer out of this fund represents the value of fixed assets purchased using the funding awarded.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust 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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16. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	30,690	64,221	(10,540)	-	-	84,371
Restricted funds						
General Annual Grant (GAG)	-	1,567,500	(1,544,277)	(23,223)	-	-
Other Government grants	-	41,829	(41,829)	-	-	-
Other DfE/ESFA grants	-	249,179	(249,179)	-	-	-
Restricted donations	-	7,609	(7,609)	-	-	-
Pension reserve	(1,100,000)	-	(128,000)	-	22,000	(1,206,000)
	<u>(1,100,000)</u>	<u>1,866,117</u>	<u>(1,970,894)</u>	<u>(23,223)</u>	<u>22,000</u>	<u>(1,206,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	3,094,874	4,480	(65,081)	566,326	-	3,600,599
DFC	9,593	8,714	-	-	-	18,307
CIF	802,167	-	-	(543,103)	-	259,064
	<u>3,906,634</u>	<u>13,194</u>	<u>(65,081)</u>	<u>23,223</u>	<u>-</u>	<u>3,877,970</u>
Total Restricted funds	<u>2,806,634</u>	<u>1,879,311</u>	<u>(2,035,975)</u>	<u>-</u>	<u>22,000</u>	<u>2,671,970</u>
Total funds	<u><u>2,837,324</u></u>	<u><u>1,943,532</u></u>	<u><u>(2,046,515)</u></u>	<u><u>-</u></u>	<u><u>22,000</u></u>	<u><u>2,756,341</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	3,652,255	3,652,255
Current assets	33,724	190,777	299,123	523,624
Creditors due within one year	-	(181,717)	(123,872)	(305,589)
Provisions for liabilities and charges	-	(298,000)	-	(298,000)
Total	33,724	(288,940)	3,827,506	3,572,290

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,600,599	3,600,599
Current assets	90,187	118,372	318,221	526,780
Creditors due within one year	(5,816)	(118,372)	(40,850)	(165,038)
Provisions for liabilities and charges	-	(1,206,000)	-	(1,206,000)
Total	84,371	(1,206,000)	3,877,970	2,756,341

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

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(257,051)	(102,983)
Adjustments for:		
Depreciation	83,065	65,081
Interest receivable	(32)	(42)
(Increase)/decrease in debtors	(4,318)	613,959
(Decrease)/increase in creditors	140,551	49,905
LGPS adjustments	165,000	128,000
Loss on disposal of fixed assets	124,922	-
Capital grants from ESFA	(318,716)	(8,714)
Donated Assets	-	(4,480)
Net cash (used in)/provided by operating activities	(66,579)	740,726

19. Cash flows from investing activities

	2022 £	2021 £
Interest received	32	42
Purchase of tangible fixed assets	(259,643)	(566,326)
Capital grants from ESFA	318,716	8,714
Net cash provided by/(used in) investing activities	59,105	(557,570)

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	297,523	304,997
Total cash and cash equivalents	297,523	304,997

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	304,997	(7,474)	297,523
	<u>304,997</u>	<u>(7,474)</u>	<u>297,523</u>

22. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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 £32,966 were payable to the schemes at 31 August 2022 (2021 - £34,659) and are included within creditors.

Introduction

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £188,205 (2021 - £175,556).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £135,000 (2021 - £115,000), of which employer's contributions totalled £109,000 (2021 - £92,000) and employees' contributions totalled £26,000 (2021 - £23,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 6.5 per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.30	2.90
Rate of increase for pensions in payment/inflation	3.00	1.70
Discount rate for scheme liabilities	4.25	3.90

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

	2022 Years	2021 Years
Retiring today		
Males	21.0	21.6
Females	23.5	23.6
Retiring in 20 years		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

As at 31 August 2022 the Trust had scheme liabilities of £298,000 (2021 - £1,206,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

	2022 £000	2021 £000
Discount rate +0.1%	(35)	(53)
Discount rate -0.1%	36	54
Mortality assumption - 1 year increase	47	97
Mortality assumption - 1 year decrease	(46)	(93)
CPI rate +0.1%	34	51
CPI rate -0.1%	(34)	(50)

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22. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	769,000	806,000
Gilts	26,000	32,000
Other bonds	60,000	59,000
Property	129,000	88,000
Cash and other liquid assets	41,000	35,000
Alternative assets	205,000	140,000
Other manager funds	136,000	100,000
Total market value of assets	1,366,000	1,260,000

The actual return on scheme assets was £4,000 (2021 - £227,000).

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

	2022 £	2021 £
Current service cost	(254,000)	(202,000)
Interest income	22,000	16,000
Interest cost	(41,000)	(33,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of Financial Activities	(274,000)	(219,000)

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

	2022 £	2021 £
At 1 September	2,466,000	2,042,000
Interest cost	41,000	33,000
Employee contributions	26,000	23,000
Actuarial (gains)/losses	(1,091,000)	189,000
Benefits paid	(32,000)	(23,000)
Current service costs	254,000	202,000
At 31 August	1,664,000	2,466,000

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	1,260,000	942,000
Interest income	22,000	16,000
Actuarial (losses)/gains	(18,000)	211,000
Employer contributions	109,000	92,000
Employee contributions	26,000	23,000
Benefits paid	(32,000)	(23,000)
Administration expense	(1,000)	(1,000)
At 31 August	<u>1,366,000</u>	<u>1,260,000</u>

23. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	3,190	9,316
Later than 1 year and not later than 5 years	1,368	4,559
	<u>4,558</u>	<u>13,875</u>

24. 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.

25. Related party transactions

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

During the year the Trust received lettings income of £4,322 (2021 - £4,054) from South Woodham Pre-School, of which G Bowyer is a Trustee. The balance owed to the Trust at 31 August 2022 is £NIL (2021 - £NIL).

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

26. Agency arrangements

At the year end the Trust was holding cash of £4,070 (2021 - £5,650) on behalf of an activity club operating from the premises over the summer holiday period. This amount is included within other creditors in note 15.