

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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FENNWOOD ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	L Burton E Cheyne A Hallett T Isijola (appointed 27 September 2022) G Bowyer (appointed 30 September 2022)
Trustees	J Phillips, Headteacher and Accounting Officer G Bowyer, Chair of Trustees D Foxwell-Jones D Fewtrell K Blackledge (appointed 4 February 2023)
Company registered number	08763832
Company name	Fennwood Academy Trust
Registered and principal office	Brent Avenue South Woodham Ferrers Chelmsford Essex CM3 5SE
Company Secretary	L Jones
Senior Management Team	J Phillips, Headteacher and Accounting Officer P White, Deputy Headteacher 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 2023

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 2023. 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 416 in the summer 2023 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 2023

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, individual salary range, 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 2023

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 2023

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; and
- 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 2022/23 were 416 against a forecast of 418.

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 2023

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.

The Trustees acknowledge the current financial situation, as per below the Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £19,536 (2022 - £42,784). Clearly this is low and leaves the Trust in a vulnerable financial position. The Trustees have taken numerous steps to try and mitigate any further depletion on resources. The Trustees continue to investigate opportunities to enhance the long term sustainability of the Trust, including a realignment of staff, areas where financial performance can be reviewed, for example reviewing contracts held by the Trust. A SRMA was deployed to the School, and the findings have been reviewed. Through these measures the Trustees believe that it is correct to adopt the going concern basis 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.

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 2023 the Trust received £2,264,464 (2022 - £2,073,462) 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 £2,287,712 (2022 - £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	2,172,971	91,493	27,081	-	2,291,545
Resources Expended	(2,165,073)	(122,639)	(193,945)	-	(2,481,657)
LGPS Charge	-	-	-	(178,000)	(178,000)
Depreciation	-	-	(83,056)	-	(83,056)
Employer contributions paid	-	-	-	137,000	137,000
Total Resources Expended	(2,165,073)	(122,639)	(277,001)	(41,000)	(2,605,713)
Assets Purchased from GAG	-	-	-	-	-
Actuarial Gains	-	-	-	286,000	286,000
Surplus / (Deficit) for the year	7,898	(31,146)	(249,920)	245,000	(28,168)
Balance at 1 September 2022	9,060	33,724	3,827,506	(298,000)	3,572,290
Balance at 31 August 2023	16,958	2,578	3,577,586	(53,000)	3,544,122

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Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a pension fund deficit of £53,000. 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 £298,000 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.

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 £2,578 (2022 - £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 2023 was £19,536 (2022 - £42,784).

The cash balance of the Trust has been healthy all year, ending the year with a balance of £146,074 (2022 - £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 has historically been 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. However due to the going concern position discussed on page 6 the risk is now higher due to the potential impact of unexpected costs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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;
- 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.
- In the past year, the school's estate management focused on maintaining a safe and welcoming environment for students and staff. This has included routine maintenance of well used areas of the school and decoration to the school hall. Financial resources moving forward are limited for the estate due to overall budgetary constraints. We have been working closely with the DoE teams allocated due to the school having Reinforced Autoclaved Aerated Concrete (RAAC). Estate management processes over the past few years has meant we were able to demonstrate several key areas of the school are safe and will be monitored annually. One area of the school building (non- teaching) is currently in the process of undergoing remedial works. Estate management has worked tirelessly to reduce the impact of RAAC on the learning environment.

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. £11,412 (2022 - £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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for Future Periods

The Trust is approved as a sponsor and plans to:

- look at partnerships with other local schools in the community;
- 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.

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.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held by the Trust as Custodian Trustees on behalf of others.

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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.

Auditor

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

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, as the Company Directors, on 15 Dec 2023 and signed on its behalf by:

G. Bowyer

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.

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

Trustee	Meetings attended	Out of a possible
J Phillips, Headteacher and Accounting Officer	4	4
G Bowyer, Chair of Trustees	4	4
D Foxwell-Jones	3	4
D Fewtrell	4	4
K Blackledge	1	4

Review of year:

Key changes in the Trustees took place in September 2022 when Keith Blackledge moved from being a parent governor to a Trustee. The Board felt his skill set was best suited to this position.

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, Risk 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; and
- 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
Mr K Blackledge	2	3
Mrs D Fewtrell	3	3
Mrs G Bowyer, Chair of Trustees	3	3
Mr D Foxwell-Jones	1	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 reviewing 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 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements.

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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 2022 to 31 August 2023 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
- Banking

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, Risk 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;
- deployment of a Schools Resource Management Advisor (SRMA) has taken place in 22/23 and all findings were shared with the Board of Trustees;
- the work of the external Auditors; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Finance, Risk 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 15 Dec 2023

and signed on their behalf by:

G. Bowyer

Gillian Bowyer
Gillian Bowyer (15 Dec 2023, 10:53am)
Chair of Trustees

J. Phillips

Jaqueline Phillips
Jaqueline Phillips (15 Dec 2023, 3:20pm)
Accounting Officer

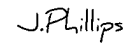
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(A Company Limited by Guarantee)

STATEMENT OF 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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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.



Jacqui Phillips 23, 3:20pm)
Accounting Officer

Date: 18 Dec 2023

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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 15 Dec 2023 and signed
on its behalf by:

G. Bowyer

Gillian Bowyer (15 Dec 2023, 10:53am)

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 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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.

Suzanne Goldsmith (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: 19 December 2023

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 10 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 31 August 2023 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

Date: 19 December 2023

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	83,126	27,081	110,207	361,505
Other trading activities	5	58,900	-	-	58,900	53,691
Investments	6	33	-	-	33	32
Charitable activities	4	32,560	2,089,845	-	2,122,405	1,976,950
Total income		91,493	2,172,971	27,081	2,291,545	2,392,178
Expenditure on:						
Charitable activities	7	122,639	2,206,073	277,001	2,605,713	2,649,229
Total expenditure		122,639	2,206,073	277,001	2,605,713	2,649,229
Net expenditure before other recognised gains and losses		(31,146)	(33,102)	(249,920)	(314,168)	(257,051)
Actuarial gains on defined benefit pension schemes	22	-	286,000	-	286,000	1,073,000
Net movement in funds		(31,146)	252,898	(249,920)	(28,168)	815,949
Reconciliation of funds:						
Total funds brought forward		33,724	(288,940)	3,827,506	3,572,290	2,756,341
Net movement in funds		(31,146)	252,898	(249,920)	(28,168)	815,949
Total funds carried forward		2,578	(36,042)	3,577,586	3,544,122	3,572,290

The notes on pages 25 to 47 form part of these financial statements.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08763832

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	3,569,199	3,652,255
Current assets			
Debtors	14	90,765	226,101
Cash at bank and in hand		146,074	297,523
		<u>236,839</u>	<u>523,624</u>
Creditors: amounts falling due within one year	15	(208,916)	(305,589)
Net current assets		<u>27,923</u>	<u>218,035</u>
Total assets less current liabilities		<u>3,597,122</u>	<u>3,870,290</u>
Defined benefit pension scheme liability	22	(53,000)	(298,000)
Total net assets		<u><u>3,544,122</u></u>	<u><u>3,572,290</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	3,577,586	3,827,506
Restricted income funds	16	16,958	9,060
		<u>3,594,544</u>	<u>3,836,566</u>
Restricted funds excluding pension liability	16	3,594,544	3,836,566
Pension reserve	16	(53,000)	(298,000)
Total restricted funds	16	<u>3,541,544</u>	<u>3,538,566</u>
Unrestricted income funds	16	<u>2,578</u>	<u>33,724</u>
Total funds		<u><u>3,544,122</u></u>	<u><u>3,572,290</u></u>

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue on 15 Dec 2023 and are signed on their behalf, by:

G. Bowyer
Gillian Bowyer
G. Bowyer (Dec 15, 2023, 10:53am)
Chair of Trustees

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	18	(178,563)	(66,579)
Cash flows from investing activities	19	27,114	59,105
Change in cash and cash equivalents in the year		(151,449)	(7,474)
Cash and cash equivalents at the beginning of the year		297,523	304,997
Cash and cash equivalents at the end of the year	20, 21	<u>146,074</u>	<u>297,523</u>

The notes on pages 25 to 47 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 2023

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 2022 to 2023 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 2023 was £19,536 (2022 - £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 which would not be guaranteed.

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 2023

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 2023

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 Taxation

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

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

1.9 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.

1.10 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.

1.11 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.

FENNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 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.

1.13 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.

1.14 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.15 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 2022 has been used by the Actuary in valuing the pensions liability at 31 August 2023. 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	83,126	-	83,126	42,789
Capital grants	-	27,081	27,081	318,716
Total 2023	<u>83,126</u>	<u>27,081</u>	<u>110,207</u>	<u>361,505</u>
Total 2022	<u>42,789</u>	<u>318,716</u>	<u>361,505</u>	

In 2022, income from donations was £42,789 of which all of it was restricted.

In 2022, capital grants of £318,716 were in relation to restricted fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Provision of Education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,782,770	1,782,770	1,734,700
Other DfE/ESFA grants				
Rates relief	-	6,605	6,605	6,605
Mainstream Schools Additional Grant	-	23,990	23,990	-
Pupil premium	-	66,680	66,680	59,317
UIFSM	-	66,854	66,854	55,368
Sports premium	-	19,610	19,610	19,570
National tutoring programme	-	6,143	6,143	5,468
Supplementary grant	-	47,623	47,623	19,843
Senior mental health lead grant	-	-	-	1,200
Recovery premium	-	6,126	6,126	5,618
Early Careers Framework	-	3,257	3,257	-
	-	2,029,658	2,029,658	1,907,689
Other Government grants				
Local Authority grants	-	60,187	60,187	36,466
Catering Income	32,560	-	32,560	32,795
	32,560	2,089,845	2,122,405	1,976,950
Total 2022	32,795	1,944,155	1,976,950	

In 2022, catering income of £32,795 was unrestricted. The remainder of the Academy's funding for provision of education was restricted.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	5,755	5,755	5,072
Sales of educational supplies	-	-	15
Other income generated	53,145	53,145	48,604
Total 2023	<u>58,900</u>	<u>58,900</u>	<u>53,691</u>
Total 2022	<u>53,691</u>	<u>53,691</u>	

In 2022, all income from other trading activities was unrestricted.

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	<u>33</u>	<u>33</u>	<u>32</u>
Total 2022	<u>32</u>	<u>32</u>	

In 2022, all investment income was in relation to unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Direct costs	1,622,431	-	147,613	1,770,044	1,663,669
Support costs	253,260	359,035	223,374	835,669	985,560
Total 2023	<u>1,875,691</u>	<u>359,035</u>	<u>370,987</u>	<u>2,605,713</u>	<u>2,649,229</u>
Total 2022	<u>1,860,451</u>	<u>455,540</u>	<u>333,238</u>	<u>2,649,229</u>	

In 2023, of the total expenditure, £122,639 (2022 - £137,165) was from unrestricted funds, £2,206,073 (2022 - £2,142,884) was from restricted funds and £277,001 (2022 - £369,180) was from restricted fixed asset funds.

In 2022, direct expenditure consisted of £1,561,810 of staff costs and £101,859 of other costs.

In 2022, support expenditure consisted of £298,641 of staff costs, £455,540 of premises costs and £231,379 of other costs.

8. Charitable Activities

	2023 £	2022 £
Direct costs	1,770,044	1,663,669
Support costs	835,669	985,560
	<u>2,605,713</u>	<u>2,649,229</u>
	2023 £	2022 £
Analysis of support costs		
Support staff costs	253,260	298,641
Depreciation	83,056	83,065
Technology costs	21,908	27,027
Other support costs	179,332	173,360
Governance costs	22,134	30,992
Premises costs	275,979	372,475
	<u>835,669</u>	<u>985,560</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Net expenditure

Net expenditure for the year includes:

	2023 £	2022 £
Operating lease rentals	9,502	9,522
Depreciation of tangible fixed assets	83,056	83,065
Loss on disposal of fixed assets	-	124,922
Fees paid to Auditors for:		
- audit	7,880	6,850
- other services	9,530	8,220
	<u> </u>	<u> </u>

The loss on disposal in 2022 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:

	2023 £	2022 £
Wages and salaries	1,395,560	1,309,516
Social security costs	118,185	109,653
Pension costs	355,988	435,732
	<u> </u>	<u> </u>
	1,869,733	1,854,901
Agency staff costs	5,958	5,550
	<u> </u>	<u> </u>
	<u>1,875,691</u>	<u>1,860,451</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	18	21
Administration and support	61	63
Management	3	3
	<u>82</u>	<u>87</u>

c. Higher paid staff

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

	2023 No.	2022 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 £249,127 (2022 - £233,040).

Included in the total remuneration above are employer pension contributions of £43,738 (2022 - £40,647) and employer National Insurance contributions of £22,035 (2022 - £20,743).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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:

		2023 £	2022 £
J Phillips	Remuneration	75,000 - 80,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed or paid directly to Trustees (2022 - £NIL).

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 2023 was included in the total insurance cost.

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2022	4,009,397	72,749	112,052	4,194,198
At 31 August 2023	4,009,397	72,749	112,052	4,194,198
Depreciation				
At 1 September 2022	419,369	47,960	74,614	541,943
Charge for the year	62,148	6,387	14,521	83,056
At 31 August 2023	481,517	54,347	89,135	624,999
Net book value				
At 31 August 2023	3,527,880	18,402	22,917	3,569,199
At 31 August 2022	3,590,028	24,789	37,438	3,652,255

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

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14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	622	-
VAT recoverable	3,344	14,586
Prepayments and accrued income	86,799	211,515
	<u>90,765</u>	<u>226,101</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	21,167	22,024
Other creditors	37,357	40,152
Accruals and deferred income	150,392	243,413
	<u>208,916</u>	<u>305,589</u>

	2023 £	2022 £
Deferred income brought forward	44,735	44,866
Resources deferred during the year	51,310	44,735
Amounts released from previous periods	(44,735)	(44,866)
Deferred income carried forward	<u>51,310</u>	<u>44,735</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 23/24 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
Unrestricted funds	33,724	91,493	(122,639)	-	2,578
Restricted general funds					
General Annual Grant (GAG)	-	1,782,770	(1,782,770)	-	-
Other DfE/ESFA grants	6,605	246,888	(246,683)	-	6,810
Other Government grants	-	60,187	(52,687)	-	7,500
Restricted donations	2,455	83,126	(82,933)	-	2,648
Pension reserve	(298,000)	-	(41,000)	286,000	(53,000)
	(288,940)	2,172,971	(2,206,073)	286,000	(36,042)
Restricted fixed asset funds					
Restricted fixed asset fund	3,652,255	-	(83,056)	-	3,569,199
DFC	-	8,736	(8,736)	-	-
CIF	175,251	-	(174,352)	-	899
Energy Efficiency Grant	-	18,345	(10,857)	-	7,488
	3,827,506	27,081	(277,001)	-	3,577,586
Total Restricted funds	3,538,566	2,200,052	(2,483,074)	286,000	3,541,544
Total funds	3,572,290	2,291,545	(2,605,713)	286,000	3,544,122

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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) and Energy Efficient Grant

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 2023.

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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 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 funds						
General Annual Grant (GAG)	-	1,734,700	(1,734,700)	-	-	-
Other DfE/ESFA grants	-	36,466	(36,466)	-	-	-
Other Government 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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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	3,569,199	3,569,199
Current assets	2,578	170,509	63,752	236,839
Creditors due within one year	-	(153,551)	(55,365)	(208,916)
Provisions for liabilities and charges	-	(53,000)	-	(53,000)
Total	2,578	(36,042)	3,577,586	3,544,122

Analysis of net assets between funds - prior 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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(314,168)	(257,051)
Adjustments for:		
Depreciation	83,056	83,065
Interest receivable	(33)	(32)
(Increase)/decrease in debtors	135,336	(4,318)
(Decrease)/increase in creditors	(96,673)	140,551
LGPS adjustments	41,000	165,000
Loss on disposal of fixed assets	-	124,922
Capital grants from ESFA	(27,081)	(318,716)
Net cash used in operating activities	(178,563)	(66,579)

19. Cash flows from investing activities

	2023 £	2022 £
Interest received	33	32
Purchase of tangible fixed assets	-	(259,643)
Capital grants from ESFA	27,081	318,716
Net cash provided by investing activities	27,114	59,105

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	146,074	297,523
Total cash and cash equivalents	146,074	297,523

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

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	297,523	(151,449)	146,074
	<u>297,523</u>	<u>(151,449)</u>	<u>146,074</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 £36,246 were payable to the schemes at 31 August 2023 (2022 - £32,966) 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.

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- 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%.

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £186,568 (2022 - £188,205).

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 2023 was £169,000 (2022 - £135,000), of which employer's contributions totalled £137,000 (2022 - £109,000) and employees' contributions totalled £32,000 (2022 - £26,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 6.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	4.30
Rate of increase for pensions in payment/inflation	2.90	3.00
Discount rate for scheme liabilities	5.30	4.25

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22. Pension commitments (continued)

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

	2023 Years	2022 Years
Retiring today		
Males	20.7	21.0
Females	23.2	23.5
Retiring in 20 years		
Males	22.0	22.3
Females	24.6	24.9

As at 31 August 2023 the Trust had a pension liability of £53,000 (2022 - £298,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(27)	(35)
Discount rate -0.1%	28	35
Mortality assumption - 1 year increase	42	47
Mortality assumption - 1 year decrease	(41)	(46)
CPI rate +0.1%	28	34
CPI rate -0.1%	(27)	(34)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	895,000	769,000
Gilts	20,000	26,000
Other bonds	-	60,000
Property	120,000	129,000
Cash and other liquid assets	45,000	41,000
Alternative assets	244,000	205,000
Other manager funds	215,000	136,000
Total market value of assets	1,539,000	1,366,000

The actual return on scheme assets was £67,000 (2022 - £4,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Pension commitments (continued)

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

	2023 £	2022 £
Current service cost	167,000	254,000
Interest income	(60,000)	(22,000)
Interest cost	70,000	41,000
Administrative expenses	1,000	1,000
Total amount recognised in the Statement of Financial Activities	178,000	274,000

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

	2023 £	2022 £
At 1 September	1,664,000	2,466,000
Interest cost	70,000	41,000
Employee contributions	32,000	26,000
Actuarial gains	(283,000)	(1,091,000)
Benefits paid	(58,000)	(32,000)
Current service costs	167,000	254,000
At 31 August	1,592,000	1,664,000

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

	2023 £	2022 £
At 1 September	1,366,000	1,260,000
Interest income	60,000	22,000
Actuarial gains/(losses)	3,000	(18,000)
Employer contributions	137,000	109,000
Employee contributions	32,000	26,000
Benefits paid	(58,000)	(32,000)
Administration expense	(1,000)	(1,000)
At 31 August	1,539,000	1,366,000

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	7,590	3,190
Later than 1 year and not later than 5 years	8,904	1,368
	<u>16,494</u>	<u>4,558</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 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 cease 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 £5,155 (2022 - £4,322) from South Woodham Pre-School, of which G Bowyer is a Trustee.

No other related party transactions took place (2022 - £NIL) in the period of the account, other than the Trustees remuneration and expenses already disclosed in note 11.

26. Agency arrangements

At the year end the Trust was holding cash of £NIL (2022 - £4,070) 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.