

Company Registration No. 08792911 (England and Wales)

SHERWOOD PARK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



SHERWOOD PARK PRIMARY SCHOOL

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SHERWOOD PARK PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Directors)

Mrs Karen Cromwell, Head teacher & Accounting Officer
Mrs N Willbourn, Chair of Governors (appointed 2nd Sept 2017)
Mrs A Leach, Vice Chair (appointed 2nd November 2017)
Mrs D Wilson, Co-opted Governor (7th February 2017 -13th Sept, 2018)
Mr M Beale, Co-opted Governor (appointed 7th Feb 2017)
Mr R Doyle, Parent Governor (12th Oct 2016 – 8th May, 2019)
Mr S Jacobs, Parent Governor (12th Oct 2016 – 13th Oct, 2018)
Miss J Trevillion, Staff Governor (appointed 7th Feb 2017)
Mr A Quayle, Co-opted Governor (appointed 7th Feb 2017)
Mrs A Harvey, Co-opted Governor (appointed 3rd Sept, 2018)
Mr K McGimpsey, Parent Governor (appointed 15th July, 2019)

Members

Mr R Wood
Mrs A Leach
Mrs N Willbourn

Academies Operated

Sherwood Park Primary School

Trust Leadership Team

Headteacher
Deputy Headteacher
Assistant Headteacher
Assistant Headteacher Inclusion

Karen Cromwell
Ashley Quayle
Jenny Trevillion
Andy Reddy

Company registration number

08792911 (England and Wales)

Registered office

Sherwood Park Primary School
Sherwood Park Avenue
Sidcup
Kent
DA15 9JQ

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Lloyds Bank plc
PO Box 1000,
Andover,
BX1 1LT

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

SHERWOOD PARK PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

Sherwood Park Primary School is a mixed school providing primary education for children between the ages of 3 to 11 based in Sidcup, Kent. In the year ended 31 August 2019 the roll numbers were at 90% capacity with the school providing places for 401 students.

Structure, governance and management

Constitution

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

The Governors of Sherwood Park Primary School are also the directors of the charitable company for the purpose of company law.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The Governors are indemnified in respect of their duties to the extent that they are covered within the specific provisions contained within the ESFA Risk Protection Arrangement.

Method of recruitment and appointment or election of Governors

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The Articles of Association stipulate that the number of Governors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be more than twelve.

Subject to section 48 and 49 of the articles the Academy shall have the following Governors:

- a) Up to 8 Governors, appointed under Article 50
- b) A minimum of two Parent Governors appointed under Articles 53-58
- c) The Head Teacher

The Academy may also have any Co-opted Governor appointed under Article 59. The Members may appoint Staff Governors through such process as they may determine.

The total number of Governors (including the Head Teacher) who are employees of the Academy shall not exceed one third of the total Governors.

The term of office for any Governor shall be four years. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

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Policies and procedures adopted for the induction and training of Governors

Following their appointment/election all new Governors receive an introduction to their role from the Head Teacher. This introduction includes a tour of the school and the opportunity to meet the School's Leadership Team.

The Governing Body is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively. To this end regular training is offered to the Governing Body through a maintained service level agreement with Bexley Council's Governor Service Department. This agreement allows for any or all members of the Governing Body to attend any of the training courses provided by Bexley Council. All new Governors are actively encouraged to take advantage of this agreement so as to gain a better understanding of the role and responsibilities of being an Academy Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

Organisational structure

The management structure of the Academy consists of the following:

- 1) The Governing Body
- 2) The Senior Leadership Team
- 3) The Middle leadership Team

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governing Body is responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by reviewing the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Head Teacher is the Accounting Officer.

The Senior Leadership Team consists of the Head Teacher, Deputy Head Teacher, Assistant Headteacher and KS1 leader. These leaders control the Academy at executive level implementing the policies laid down by the Governors, regularly reporting back to them. The Head Teacher is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets and the appointment of staff, although the appointment of senior leader posts is referred to Governors.

Key Stage Leaders are responsible for the learning in their key stage, including national assessments. Curriculum co-ordinators are responsible for learning areas within the curriculum, in particular organising and reviewing the essential knowledge, understanding and skills that primary age children need in order to make progress and fulfil their potential.

Arrangements for setting pay and remuneration of key management personnel

The Pay Policy is reviewed annually by school governors taking into account advice provided by the school's HR advisor. The final policy has had full input from trades unions, both teaching and non-teaching. The Pay Committee meets annually at the beginning of the autumn term to make decisions on all members of staff who are entitled to be considered for discretionary pay awards. A separate Head Teacher Review Committee is supported by an external consultant to set targets for the Head Teacher and make final decisions on pay following the completion of the Head Teacher's performance review.

Trade Union Facility Time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 0 | 0 |

Percentage of time spent on facility time

| Percentage of time | Number of Employees |
|--------------------|---------------------|
| 0% | 0 |
| 1% - 50% | 0 |
| 51% - 99% | 0 |
| 100% | 0 |

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Percentage of pay bill spent on facility time

| | |
|---|---|
| Total Cost of facility time | 0 |
| Total Pay bill | 0 |
| Percentage of the total pay bill spent on facility time | 0 |

Paid trade union activities

| | |
|--|----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours. | 0% |
|--|----|

Related Parties and other Connected Charities and Organisations

In accordance with the Academy conversion application the school continues to work with Blackfen School for Girls, Hurstmere Boys School, Bexley Grammar School and Chislehurst and Sidcup Grammar School as part of The Penhill Academy Trust. This is a mutually beneficial arrangement which results increased levels of pupil and staff performance and development.

Objectives and activities

Objects and Aims

Sherwood Park Primary School is a mixed school providing education for children between 3 and 11. The underlying objective of the Academy is to provide children with the opportunities to develop academically, physically and creatively into well rounded individuals, possessing the relevant skills and confidence to enter the next stage of their educational development, all within a safe and caring environment.

The Academy's inclusive ethos ensures all children have the opportunity to develop in a caring and supportive learning environment. The Academy incorporates a nine place autistic provision which integrates children into mainstream where appropriate.

Mission Statement

Our mission at Sherwood Park is to equip our children with the knowledge, skills and attitudes to become responsible world citizens, who are resilient and hard working with a love and respect for learning that will continue throughout their life.

Objectives, strategies and activities

Our objectives for the year ended 31 August 2019 were as follows:

Build strong and sustainable leadership at all levels through robust and strategic planning for school improvement.

- Governance- ensure clearly defined Roles, Responsibility and Expectations (including recruitment)
- Succession Planning – to build a strong and sustainable middle leadership structure with a clear middle leadership strand and reporting lines
- Financial planning for sustainability by developing a 3 year 'Vitality Plan' for the school finances implementing cost efficiencies and reviewing how to maximise income generation

Ensure high expectations for all pupils through the quality first teaching of a broad and rich curriculum.

- Higher expectations at all levels (differentiation) keep a focus on consistency – Expectations, policies, procedure, resources etc
- Deliver a broad and rich curriculum with a focus on writing and a range and richness of subjects which helps pupils acquire knowledge, understanding and skills in all aspects of their education by evaluating the suitability of the current curriculum in the light of the children's needs, interests, cultural and ethnic diversity and gaps in life experience

SHERWOOD PARK PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

- Effective systems for monitoring and evaluating all aspects of the school are in place – Evaluate the use of Target Tracker statements and levels for recording progress and attainment in reading, writing and maths – considering alternatives

Improve overall attendance and wellbeing across our school community by building resilience.

- SEND – To improve the provision for pupils who have SEND to enable them to make good academic progress
- Ensure whole school attendance is in line with national and reduce the % of Persistent Absenteeism, particularly for disadvantaged pupils- improve parental engagement and review pupil incentives for good attendance
- SEMH – To ensure that resources are in place to support the mental health and wellbeing of pupils and staff through CPD for staff to ensure that they have the understanding and strategies to support pupils' and adult's mental health and wellbeing

Improve outcomes for all pupils, including key groups both academically and socially.

- Improve outcomes in writing across the school – Expand Literacy team to include a Phonics lead and re-write writing curriculum
- Improve outcomes for specific student groups – high attainers, disadvantaged, boys – design a curriculum and lessons which appeal to boys and support high attainers and PPG
- Effectively manage the transitions terms between Key stages to avoid a dip in attainment and progress between summer term to Autumn – establish effective identification of barriers to learning and early intervention to ensure smooth transitions between year groups.

Public benefit

The Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

In addition to the commitment to achieving the primary objectives of the Academy the Governors have agreed for the following public benefit support to be provided by the Academy:

- To develop our 'Teaching Links' programme of co-operation and joint working with Blackfen School for Girls, Hurstmere Boys School, Bexley Grammar School and Chislehurst and Sidcup Grammar School.
- To continue to develop the excellent pastoral care we provide for our pupils.

Strategic report

Achievements and performance

Performance against targets and objectives;

- Our EYFS, results were up on 2018 and bringing us back in line with previous years. School is once again above National and broadly in line with Bexley, which is falling over the last 4 years. National on the other hand is rising year on year
- Year 1 phonics results we are again above national and Bexley suggesting that the teaching of phonics continues to be a strength
- KS1 results in reading and writing for 2019 were more or less in line with 2018 and above the dip in 2017 with 25% of the cohort have SEND of which 47% achieved the expected standard in reading. Maths dipped slightly in 2019, but school is still above 2017 figures and above national in 2018. It remains to be seen how we will compare with Bexley and National in 2019
- KS2 results were all above national in 2019 and suggests results in 2018 were a blip. It also suggests that separate arithmetic and spelling and grammar lessons and intervention groups are effective.

Finally, we would confirm the school is really committed to ensuring that each individual child makes as much progress as they possibly can and reaches levels of attainment that represent a real success for them. This means supporting and challenging children appropriately whether they have significant learning needs or are academic high-flyers. That must remain the focus of our endeavours.

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EYFS Results 2019

| | 2018 | | 2019 | |
|---|---------------|----------|---------------|-------------------|
| | Sherwood Park | National | Sherwood Park | Emerging National |
| GLD | 70% | 72% | 76% | 72% |
| Communication and Language | 73% | 82% | 79% | 82% |
| Physical development | 89% | 87% | 87% | 87% |
| Personal Social and Emotional Development | 73% | 85% | 93% | 85% |
| Literacy | 78% | 73% | 77% | 73% |
| Maths | 78% | 78% | 77% | 79.5% |

Phonics Screening Check 2019

| | 2018 | | 2019 | |
|--------|---------------|-------------------|---------------|-------------------|
| | Sherwood Park | Emerging National | Sherwood Park | Emerging National |
| Year 1 | 93.2% | 82.5% | 92.3% | 82% |
| Year 2 | 78.6% | - | 50% | - |

Key Stage 1 - 2019 % Achieving (Greater Depth)

| | 2018 | | 2019 | |
|---------|---------------|---------------|---------------|-------------------|
| | Sherwood Park | National | Sherwood Park | Emerging National |
| Reading | 79.3% (31%) | 75.5% (25.7%) | 79.7% (27%) | 75% (25%) |
| Writing | 75.9% (22.4%) | 70% (15.9%) | 76.3% (14%) | 69% (15%) |
| Maths | 81% (31%) | 76.1% (21.8%) | 79.7% (20%) | 76% (22%) |

Key Stage 2 - 2019 % Achieving ARE (Greater Depth/ high score)

| | 2018 | | 2019 | |
|----------------------------|---------------|-------------|---------------|-----------|
| | Sherwood Park | National | Sherwood Park | National |
| Reading | 70% (30%) | 75% (28.1%) | 78% (27%) | 73% (28%) |
| Writing | 73% (11%) | 78% (19.8%) | 88% (23%) | 78% (20%) |
| EPGS | 81% (39%) | 78% (34.4%) | 83% (27%) | 78% (34%) |
| Maths | 75% (14%) | 76% (23.6%) | 88% (20%) | 79% (24%) |
| Reading, writing and maths | 58% (5%) | 64% (10%) | 75% (6.7%) | 65% (11%) |

Average Progress between KS1 and KS2 2019

| | 2018 | | 2019 | |
|---------|---------------|--------------------------|---------------|--------------------------|
| | Sherwood Park | National Floor Standards | Sherwood Park | National Floor Standards |
| Reading | -2.6 | -5 | -0.5 | -5 |
| Writing | -3 | -7 | 0.3 | -7 |
| Maths | -2.5 | -5 | -1 | -5 |

Attendance for 2017/18 showed as 95.4%

In June 2019 90% of teaching was judged to be at least Good

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Key Performance Indicators

The Academy has functioned within the General Annual Grant allocated for the period to 31st August 2018. The results detailed under 'Achievement and Performance' (see above) highlight the academy's success.

As can be seen from Roll numbers as at July 2019, from Year 1 upwards the school remains popular within the local community. However, there has been a drop in numbers taking up Nursery and Reception places. This is a borough wide issue due in part to the rising popularity of the private nurseries, which offer extended hours for working parents and have become affordable with the 30 free hours, but also due to some local schools expanding to 3 forms of entry.

| Year/Group | Girls | Boys | Total |
|------------|-------|------|-------|
| Nursery | 15 | 9 | 24 |
| Reception | 11 | 17 | 28 |
| Year 1 | 21 | 19 | 40 |
| Year 2 | 36 | 23 | 59 |
| Year 3 | 27 | 31 | 58 |
| Year 4 | 24 | 31 | 55 |
| Year 5 | 23 | 27 | 50 |
| Year 6 | 37 | 23 | 60 |
| All | 203 | 198 | 401 |

Key Financial Performance Indicators

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Governors.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Governors ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

SHERWOOD PARK PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The following balances held were held at 31 August:

| Fund | Category | 2019 £'000 |
|--------------------------------|---------------------------------|-----------------------|
| GAG | Restricted General Funds | 286 |
| Other DfE/ESFA Grants | Restricted General Funds | - |
| Other Income | Restricted General Funds | - |
| Sub-total | General Restricted Funds | 286 |
| Unspent Capital Grants | Restricted Fixed Asset Fund | - |
| Other Income | Unrestricted General Fund | <u>25</u> |
| Sub-Total | Spendable Funds | 311 |
| Net Book Value of Fixed Assets | Restricted Fixed Asset Fund | 3,383 |
| Share of LGPS Deficit | Restricted Pension Reserve | <u>(1,025)</u> |
| Total | All Funds | <u>(2,669)</u> |

During the year under review, there was a surplus of £14k on general restricted funds, a surplus of £5k on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall (deficit) of £350k.

Reserves policy

The Academy Trust Board reviews the level of reserves annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. It is the trustees' policy to maintain a surplus of unrestricted reserves which can be used to assist in the funding of the Academy's development plan. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies "Financial Handbook produced by the Education and Skills Funding Agency.

Investment policy and powers

The Academy does not hold any investments at the current time. The accounting policy will be determined when the need arises in accordance with the Memorandum and Articles and the Funding Agreement.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Trust is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The Governors have implemented a number of systems to assess risks that the Trust faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

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Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The trust organises fundraising events and appeals and co-ordinate the activities of our supporters both in the academy and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participants.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice).

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure that its pupils are ready for the next stage of their education. The school knows its strengths and weaknesses based on continual self-assessment and the most recent Ofsted inspection in September 2016, when it was judged as 'Good'. External moderation and findings from the Ofsted inspection have been used to formulate future developments.

The School Improvement Plan is succinct and focussed on key, strategic developmental areas. Curriculum area leaders assess their outcomes, planning developments accordingly.

Areas for development are challenged and supported so improvements are made. Colleagues that require support to improve their practice are challenged and supported appropriately. Intervention strategies for pupils are thorough, time related and assessed for impact.

Funds held as custodian trustee on behalf of others

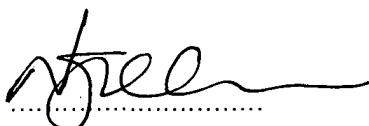
The Academy does not hold funds as custodian trustee on behalf of others.

Auditor

In so far as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 25th November, 2019 and signed on its behalf by.



Mrs N Willbourn

Chair of Governor

SHERWOOD PARK PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

| Governors | Meetings attended | Out of possible |
|--------------------|-------------------|-----------------|
| Mrs Karen Cromwell | 2 | 3 |
| Mrs N Willbourn | 3 | 3 |
| Mrs A Leach | 3 | 3 |
| Mrs D Wilson | - | 3 |
| Mr M Beale | 2 | 3 |
| Mr R Doyle | 2 | 3 |
| Mr S Jacobs | - | 3 |
| Miss J Trevillion | 3 | 3 |
| Mr A Quayle | 3 | 3 |
| Mrs A Harvey | 3 | 3 |
| Mr K McGimpsey | 0 | 3 |

Across the year there were a number of changes to the composition of the Board, with resignations from: Mrs D Wilson (13th September, 2019), Mr S Jacobs (3rd October, 2019), Mr R Doyle (8th May 2019) and the appointment to the Board of Kyle McGimpsey at the Governing body meeting on 15th July 2019.

Governance reviews:

The Board of Governors completed a governance review during the year which comprised a skills audit. Where gaps were identified plans were implemented to address these through Trustee training and recruitment. The governing body also wrote a Governors Development Plan, which was reviewed in July 2019.

The Business Committee is a committee to which the main Board of Governors has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget
- Review the reports of the auditors on the effectiveness of the financial procedures and controls
- Fulfil the role of an Audit Committee

Attendance during the year at meetings of the Business Committee was as follows:

| Governors | Meetings attended | Out of possible |
|--------------------|-------------------|-----------------|
| Mrs Karen Cromwell | 2 | 2 |
| Mrs N Willbourn | 1 | 2 |
| Mrs A Leach | 2 | 2 |
| Mr M Beale | 2 | 2 |
| Mr R Doyle | 0 | 2 |
| Mr A Quayle | 2 | 2 |
| Mr S Jacobs | 0 | 2 |

SHERWOOD PARK PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Note: The Business committee meeting in the spring term was cancelled and items addressed at full governing body meeting that term

Review of Value for Money

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

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

- **Paper Supplier:** We have changed our paper supplier to Rainbow, who offer 200 boxes of A4 copier paper for £2,400 including VAT (£10.00 per box). The price is particularly low because we buy bulk and the company store it until it is needed. In the past we have paid up to £15.00 per box.
- **Accountants:** Following a disappointing service from our Auditors, Bayer Hughes, we have engaged another the services of another accountant, Baxter & Co. Based upon the fees charged by Bayer Hughes for 2017/18 - £9,780., Baxter & Co are offering the same services for £8,375, representing a saving of £1,405 and with better service, better value for money.
- **Flooring for KS1 and KS2 Halls:** £ quotes were obtained for replacing the damaged and dangerous flooring, they offered a number of options, from sprung wooden sports floor to vinyl flooring. The sprung floor quotes came in between £20,689 and £22,579. Standard wooden planks were £14, 290. Both of these options also required regular maintenance, which would add to the cost over time. Governors agreed on a high quality vinyl flooring at a cost of £15,495, which is extremely hard wearing and requires no ongoing maintenance, therefore presenting value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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

In particular it includes:

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

SHERWOOD PARK PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Debbie Newman, of Education Financial Services (EFS), to perform internal audits and additional checks .

The reviewer's role includes acting as the responsible officer, giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchasing systems
- checks on income collection processes
- testing of control account/ bank reconciliations

On a quarterly basis, the reviewer reports to the board of trustees, through the finance and general purposes Business Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities

The Reviewer has visited the school in order to complete her responsible officer checks 3 times this financial year. Recommendations and action taken by school this year have included:

| Recommendation | Action |
|---|---|
| Increase frequency of reports to finance committee from termly | Report to finance committee to be monthly |
| Bank Reconciliation to be undertaken more promptly | Now undertaken within 21 days of month end |
| Debtor control – Manual records regularly reviewed but formal reporting to be developed | Debts formally reported as part of month end routines |
| Vat claims now submitted more regularly | Monthly reconciliations now to be undertaken |

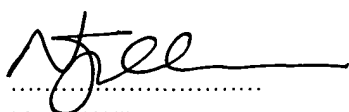
Review of effectiveness

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 external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

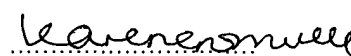
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 25th November, 2019 and signed on its behalf by:



Mrs N Willbourn

Chair of Governors



Mrs K L Cromwell

Accounting Officer

SHERWOOD PARK PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Sherwood Park Primary School I have considered my responsibility to notify the academy trust board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Mrs K L Cromwell
Accounting Officer

25 November 2019

SHERWOOD PARK PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The governors (who act as Trustees for Sherwood Park Primary School and are also the Directors of Sherwood Park Primary School for the purposes of company law) are responsible for preparing the governors' Report and the Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of governors on 25 November 2019 and signed on its behalf by:

Mrs N Willbourn
Chair of Governors



SHERWOOD PARK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHERWOOD PARK PRIMARY SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the Financial Statements of Sherwood Park Primary School for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the governors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The governors are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. 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.

In connection with our audit of the Financial Statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SHERWOOD PARK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHERWOOD PARK PRIMARY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the governors' Report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' Report, including the incorporated Strategic Report.

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

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

Responsibilities of governors

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

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

Auditor's responsibilities for the audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

SHERWOOD PARK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHERWOOD PARK PRIMARY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company'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 charitable company's Members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 6 December 2019

SHERWOOD PARK PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHERWOOD PARK PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 23 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sherwood Park Primary School during the period 1 September 2018 to 31 August 2019 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 Sherwood Park Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sherwood Park Primary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sherwood Park Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sherwood Park Primary School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Sherwood Park Primary School's funding agreement with the Secretary of State for Education dated 20 December 2013 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
 - Review of payments to suppliers and other third parties;
 - Review of grant and other income streams;
 - Review of some key financial control procedures;
 - Discussions with finance staff;
 - Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
 - Consideration of the programme of risk review and checking of financial controls implemented by the Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.
-

SHERWOOD PARK PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baxter & Co

Independent Reporting Accountants

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 6 December 2019

SHERWOOD PARK PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

| | Notes | Unrestricted Funds £000 | General £000 | Restricted funds: Fixed asset £000 | Total 2019 £000 | Total 2018 £000 |
|---|-------|-------------------------------|-----------------|--|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 83 | 83 | - |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 109 | 2,022 | - | 2,131 | 2,288 |
| Other trading activities | 5 | 3 | - | - | 3 | 30 |
| Total | | <u>112</u> | <u>2,022</u> | <u>83</u> | <u>2,217</u> | <u>2,318</u> |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 6 | 107 | 2,091 | 36 | 2,234 | 2,333 |
| Total | 7 | <u>107</u> | <u>2,091</u> | <u>36</u> | <u>2,234</u> | <u>2,333</u> |
| Net income/(expenditure) | | 5 | (69) | 47 | (17) | (15) |
| Transfers between funds | 16 | - | (22) | 22 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 18 | - | (333) | - | (333) | 184 |
| Net movement in funds | | 5 | (424) | 69 | (350) | 169 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 20 | (315) | 3,314 | 3,019 | 2,850 |
| Total funds carried forward | | <u>25</u> | <u>(739)</u> | <u>3,383</u> | <u>2,669</u> | <u>3,019</u> |

SHERWOOD PARK PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total 2018 £000 |
|--|-------|-------------------------------|-----------------------------------|---------------------|-----------------------|
| Income and endowments from: | | | | | |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 2,288 | - | 2,288 |
| Other trading activities | 5 | 30 | - | - | 30 |
| Total | | 30 | 2,288 | - | 2,318 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 6 | 32 | 2,262 | 39 | 2,333 |
| Total | 7 | 32 | 2,262 | 39 | 2,333 |
| Net income/(expenditure) | | (2) | 26 | (39) | (15) |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 18 | - | 184 | - | 184 |
| Net movement in funds | | (2) | 210 | (39) | 169 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 22 | (525) | 3,353 | 2,850 |
| Total funds carried forward | | 20 | (315) | 3,314 | 3,019 |

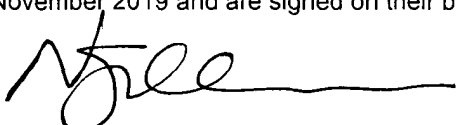
SHERWOOD PARK PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

| | | 2019 | 2018 |
|---|-------|---------|-------|
| | Notes | £000 | £000 |
| Fixed assets | | | |
| Tangible assets | 11 | 3,382 | 3,313 |
| Current assets | | | |
| Debtors | 12 | 38 | 105 |
| Cash at bank and in hand | | 404 | 496 |
| | | 442 | 601 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 13 | (114) | (289) |
| Net current assets | | 328 | 312 |
| Total assets less current liabilities | | 3,710 | 3,625 |
| Creditors: amounts falling due after more than one year | 14 | (16) | (19) |
| Net assets before defined benefit pension scheme liability | | 3,694 | 3,606 |
| Defined benefit pension scheme liability | 18 | (1,025) | (587) |
| Total net assets | | 2,669 | 3,019 |
| Funds of the academy trust: | | | |
| Restricted funds | 16 | | |
| - Fixed asset funds | | 3,383 | 3,314 |
| - Restricted income funds | | 286 | 272 |
| - Pension reserve | | (1,025) | (587) |
| Total restricted funds | | 2,644 | 2,999 |
| Unrestricted income funds | 16 | 25 | 20 |
| Total funds | | 2,669 | 3,019 |

The Financial Statements on pages 20 to 41 were approved by the governors and authorised for issue on 25 November 2019 and are signed on their behalf by:



Mrs N Willbourn
Chair of Governors

Company Number 08792911

SHERWOOD PARK PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

| | Notes | 2019 £000 | 2018 £000 |
|---|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 19 | (67) | 93 |
| Cash flows from investing activities | | | |
| Capital grants from DfE Group | | 83 | - |
| Purchase of tangible fixed assets | | (105) | - |
| Net cash used in investing activities | | (22) | - |
| Cash flows from financing activities | | | |
| Repayment of long term bank loan | | (3) | (3) |
| Net cash used in financing activities | | (3) | (3) |
| Net (decrease)/increase in cash and cash equivalents in the reporting period | | (92) | 90 |
| Cash and cash equivalents at beginning of the year | | 496 | 406 |
| Cash and cash equivalents at end of the year | | 404 | 496 |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sherwood Park Primary School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more per item 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 that require 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

| | |
|--------------------------------|------------------------------|
| Leasehold Land and buildings | Over the period of the lease |
| Plant and equipment | 25% Straight Line |
| Fixtures, fittings & equipment | 10% Reducing balance |

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.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 18, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

Critical areas of judgement

In preparing these Financial Statements, the governors have not needed to exercise any subjective judgements that would be critical to the academy trust's Financial Statements.

3 Donations and capital grants

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|----------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Capital grants | - | 83 | 83 | - |

4 Funding for the academy trust's educational operations

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 1,608 | 1,608 | 1,653 |
| Other DfE group grants | - | 237 | 237 | 328 |
| | - | 1,845 | 1,845 | 1,981 |
| Other government grants | | | | |
| Local authority grants | - | 177 | 177 | 236 |
| Other funding | | | | |
| Other incoming resources | 109 | - | 109 | 71 |
| Total funding | 109 | 2,022 | 2,131 | 2,288 |

5 Other trading activities

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities | 3 | - | 3 | 5 |
| Catering income | - | - | - | 25 |
| | 3 | - | 3 | 30 |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Charitable activities

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Direct costs | | | | |
| Educational operations | 107 | 1,600 | 1,707 | 1,578 |
| Support costs | | | | |
| Educational operations | - | 527 | 527 | 755 |
| | <u>107</u> | <u>2,127</u> | <u>2,234</u> | <u>2,333</u> |
| Analysis of costs | | | 2019 £000 | 2018 £000 |
| Direct costs | | | | |
| Teaching and educational support staff costs | | | 1,574 | 1,481 |
| Staff development | | | 27 | 24 |
| Depreciation | | | 29 | - |
| Educational supplies and services | | | 71 | 73 |
| Educational consultancy | | | 6 | - |
| | | | <u>1,707</u> | <u>1,578</u> |
| Support costs | | | | |
| Support staff costs | | | 191 | 219 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | | | 90 | 35 |
| Depreciation | | | 7 | 39 |
| Technology costs | | | 26 | 15 |
| Maintenance of premises and equipment | | | 28 | 236 |
| Cleaning | | | 4 | - |
| Energy costs | | | 18 | 14 |
| Rent, rates and other occupancy costs | | | 13 | 10 |
| Insurance | | | 9 | 8 |
| Catering | | | 56 | 55 |
| Defined benefit pension scheme - finance costs (FRS102 adjustment) | | | 15 | 16 |
| Other support costs | | | 45 | 100 |
| Governance costs | | | 25 | 8 |
| | | | <u>527</u> | <u>755</u> |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

| | Staff costs £000 | Non Pay Expenditure Premises £000 | Other £000 | Total 2019 £000 | Total 2018 £000 |
|----------------------------------|---------------------|---|---------------|-----------------------|-----------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 1,574 | 29 | 104 | 1,707 | 1,578 |
| - Allocated support costs | 281 | 79 | 167 | 527 | 755 |
| | <u>1,855</u> | <u>108</u> | <u>271</u> | <u>2,234</u> | <u>2,333</u> |

Net income/(expenditure) for the year includes:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Fees payable to auditor for: | | |
| - Audit | 4 | 4 |
| - Other services | 4 | 4 |
| Depreciation of tangible fixed assets | 36 | 39 |
| Net interest on defined benefit pension liability | 15 | 16 |
| | <u>59</u> | <u>63</u> |

Included within expenditure are the following transactions:

| | 2019 £ |
|---|------------|
| Gifts made by the academy trust - total | <u>140</u> |

Clarification - While the majority of disclosure in these accounts are rounded to £000's, disclosure of gifts made are not. The value of gifts for the year are £140 (and not £140k)

8 Staff

Staff costs

Staff costs during the year were:

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Wages and salaries | 1,271 | 1,225 |
| Social security costs | 111 | 90 |
| Pension costs | 247 | 233 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | 90 | 35 |
| | <u>1,719</u> | <u>1,583</u> |
| Amounts paid to employees | 1,719 | 1,583 |
| Agency staff costs | 136 | 152 |
| | <u>1,855</u> | <u>1,735</u> |
| Total staff expenditure | <u>1,855</u> | <u>1,735</u> |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

Staff numbers

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

| | 2019 Number | 2018 Number |
|----------------------------|----------------|----------------|
| Teachers | 19 | 24 |
| Administration and support | 36 | 55 |
| Management | 4 | 4 |
| | <u>59</u> | <u>83</u> |

The number of persons employed, expressed as a full time equivalent, was as follows:

| | 2019 Number |
|----------------------------|----------------|
| Teachers | 16 |
| Administration and support | 17 |
| Management | 4 |
| | <u>37</u> |

Higher paid staff

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

| | 2019 Number | 2018 Number |
|-------------------|----------------|----------------|
| £70,001 - £80,000 | <u>1</u> | <u>1</u> |

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions, excluding employer NIC) received by key management personnel for their services to the academy trust was £248,834 (2018: £222,134).

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

The value of governors' remuneration and other benefits was as follows:

Mrs K L Cromwell (Head Teacher & Accounting Officer):

- Remuneration £75,000 - £80,000 (2018: £75,000 - £80,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

Miss J Trevillion (Staff Governor):

- Remuneration £30,000 - £35,000 (2018: £15,000 - £20,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £0 - £5,000)

Mr A Quayle (Staff Governor):

- Remuneration £55,000 - £60,000 (2018: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

During the year no travel and subsistence payments (2018: £nil) were reimbursed or paid directly to governors.

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

10 Governors and officers insurance

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

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Tangible fixed assets

| | Leasehold Land and buildings £000 | Plant and equipment £000 | Fixtures, fittings & equipment £000 | Total £000 |
|-----------------------|--|--------------------------------|--|---------------|
| Cost | | | | |
| At 1 September 2018 | 3,512 | 37 | 29 | 3,578 |
| Additions | - | 11 | 94 | 105 |
| At 31 August 2019 | 3,512 | 48 | 123 | 3,683 |
| Depreciation | | | | |
| At 1 September 2018 | 220 | 36 | 9 | 265 |
| Charge for the year | 20 | 5 | 11 | 36 |
| At 31 August 2019 | 240 | 41 | 20 | 301 |
| Net book value | | | | |
| At 31 August 2019 | 3,272 | 7 | 103 | 3,382 |
| At 31 August 2018 | 3,292 | 1 | 20 | 3,313 |

Included in leasehold land and buildings is land valued at £875k.

12 Debtors

| | 2019 £000 | 2018 £000 |
|--------------------------------|--------------|--------------|
| Trade debtors | - | 50 |
| VAT recoverable | 1 | 44 |
| Prepayments and accrued income | 37 | 11 |
| | 38 | 105 |

13 Creditors: amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Loans | 3 | 3 |
| Trade creditors | 7 | 129 |
| Other taxation and social security | 27 | 26 |
| Other creditors | 25 | 25 |
| Accruals and deferred income | 52 | 106 |
| | 114 | 289 |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

| 14 | Creditors: amounts falling due after more than one year | 2019 £000 | 2018 £000 |
|----|---|--------------|--------------|
| | Loans | 16 | 19 |
| | Analysis of loans | | |
| | Wholly repayable within five years | 19 | 22 |
| | Less: included in current liabilities | (3) | (3) |
| | Amounts included above | 16 | 19 |
| | Loan maturity | | |
| | Debt due in one year or less | 3 | 3 |
| | Due in more than two years but not more than five years | 13 | 13 |
| | Due in more than five years | 3 | 6 |
| | | 19 | 22 |

In 2016/17 the academy acquired an interest free salix energy efficiency loan for £25,000 repayable at £3,125 per annum over 8 years.

| 15 | Deferred income | 2019 £000 | 2018 £000 |
|----|--|--------------|--------------|
| | Deferred income is included within: | | |
| | Creditors due within one year | 24 | 87 |
| | Deferred income at 1 September 2018 | 87 | 29 |
| | Released from previous years | (87) | (29) |
| | Resources deferred in the year | 24 | 87 |
| | Deferred income at 31 August 2019 | 24 | 87 |

The deferred income comprises £24k for Universal Infant Free School Meal income received in advance.

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2019 £000 |
|---|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 272 | 1,608 | (1,572) | (22) | 286 |
| Other DfE / ESFA grants | - | 85 | (85) | - | - |
| Pupil Premium | - | 152 | (152) | - | - |
| Other government grants | - | 177 | (177) | - | - |
| Pension reserve | (587) | - | (105) | (333) | (1,025) |
| | <u>(315)</u> | <u>2,022</u> | <u>(2,091)</u> | <u>(355)</u> | <u>(739)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 3,292 | - | (20) | - | 3,272 |
| DfE group capital grants | 2 | 83 | (8) | (2) | 75 |
| Capital expenditure from GAG and other funds | 20 | - | (8) | 24 | 36 |
| | <u>3,314</u> | <u>83</u> | <u>(36)</u> | <u>22</u> | <u>3,383</u> |
| Total restricted funds | <u>2,999</u> | <u>2,105</u> | <u>(2,127)</u> | <u>(333)</u> | <u>2,644</u> |
| Unrestricted funds | | | | | |
| General funds | 20 | 112 | (107) | - | 25 |
| Total funds | <u>3,019</u> | <u>2,217</u> | <u>(2,234)</u> | <u>(333)</u> | <u>2,669</u> |

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

The Restricted General funds are used to fund the general operating costs of the Academy.

The General Annual Grant is provided by the Education and Skills Funding Agency (ESFA) to enable the Academy to fulfil its general educational objectives.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The Pension Reserve represents the Academy Trust's share of the LGPS Pension Fund Deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets. When fixed assets are purchased the fund is increased and depreciation charges reduce the fund.

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

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

| | Balance at 1 September 2017 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2018 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 195 | 1,653 | (1,576) | - | 272 |
| Other DfE / ESFA grants | - | 181 | (181) | - | - |
| Pupil Premium | - | 100 | (100) | - | - |
| Free School Meals | - | 47 | (47) | - | - |
| Other government grants | - | 236 | (236) | - | - |
| Other restricted funds | - | (142) | 142 | - | - |
| Investment Income | - | 213 | (213) | - | - |
| Pension reserve | (720) | - | (51) | 184 | (587) |
| | <u>(525)</u> | <u>2,075</u> | <u>(2,049)</u> | <u>184</u> | <u>(315)</u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 3,353 | - | (39) | - | 3,314 |
| | <u>3,353</u> | <u>-</u> | <u>(39)</u> | <u>-</u> | <u>3,314</u> |
| Total restricted funds | <u>2,828</u> | <u>2,075</u> | <u>(2,088)</u> | <u>184</u> | <u>2,999</u> |
| Unrestricted funds | | | | | |
| General funds | 22 | 30 | (32) | - | 20 |
| | <u>22</u> | <u>30</u> | <u>(32)</u> | <u>-</u> | <u>20</u> |
| Total funds | <u>2,850</u> | <u>2,105</u> | <u>(2,120)</u> | <u>184</u> | <u>3,019</u> |

17 Analysis of net assets between funds

| | Unrestricted Funds £000 | General £000 | Restricted funds: Fixed asset £000 | Total Funds £000 |
|--|-------------------------------|-----------------|--|------------------------|
| Fund balances at 31 August 2019 are represented by: | | | | |
| Tangible fixed assets | - | - | 3,382 | 3,382 |
| Current assets | 25 | 416 | 1 | 442 |
| Creditors falling due within one year | - | (114) | - | (114) |
| Creditors falling due after one year | - | (16) | - | (16) |
| Defined benefit pension liability | - | (1,025) | - | (1,025) |
| | <u>25</u> | <u>(739)</u> | <u>3,383</u> | <u>2,669</u> |
| Total net assets | <u>25</u> | <u>(739)</u> | <u>3,383</u> | <u>2,669</u> |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

| | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total Funds £000 |
|---|-------------------------------|--------------------------------------|---------------------|------------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 3,313 | 3,313 |
| Current assets | 20 | 580 | 1 | 601 |
| Creditors falling due within one year | - | (289) | - | (289) |
| Creditors falling due after one year | - | (19) | - | (19) |
| Defined benefit pension liability | - | (587) | - | (587) |
| Total net assets | 20 | (315) | 3,314 | 3,019 |

18 Pension and similar obligations

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

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

Contributions amounting to £25k (2018: £25k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019.

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay; and
- the assumed real rate of return is 2.4% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Scheme Changes

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

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £140k (2018: £129k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.8% for employers (plus deficit recovery payments of £3,250 per month) and 5.5% to 12.5% for employees.

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

| Total contributions made | 2019 £000 | 2018 £000 |
|--------------------------|--------------|--------------|
| Employer's contributions | 107 | 104 |
| Employees' contributions | 23 | 21 |
| Total contributions | 130 | 125 |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

| Principal actuarial assumptions | 2019 % | 2018 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.60 | 3.60 |
| Rate of increase for pensions in payment/inflation | 2.20 | 2.20 |
| Discount rate for scheme liabilities | 1.80 | 2.80 |
| Inflation assumption (CPI) | 2.10 | 2.40 |

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

| | 2019 Years | 2018 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 23.2 | 23.1 |
| - Females | 26.2 | 26.1 |
| Retiring in 20 years | | |
| - Males | 25.4 | 25.3 |
| - Females | 28.5 | 28.4 |

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2019 £'000 | 2018 £'000 |
|-------------------------------|---------------|---------------|
| Discount rate + 0.1% | 2,296 | 1,654 |
| Discount rate - 0.1% | 2,389 | 1,720 |
| Mortality assumption + 1 year | 2,385 | 1,718 |
| Mortality assumption - 1 year | 2,300 | 1,656 |
| CPI rate + 0.1% | 2,389 | 1,721 |
| CPI rate - 0.1% | 2,296 | 1,653 |
| Salary rate + 0.1% | 2,352 | 1,695 |
| Salary rate - 0.1% | 2,332 | 1,679 |

The academy trust's share of the assets in the scheme

| | 2019 Fair value £000 | 2018 Fair value £000 |
|------------------------------|----------------------------|----------------------------|
| Equities | 609 | 448 |
| Government bonds | 141 | 155 |
| Other bonds | 149 | 54 |
| Cash and other liquid assets | 28 | 1 |
| Property | 132 | 123 |
| Other assets | 258 | 319 |
| Total market value of assets | 1,317 | 1,100 |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

The actual return on scheme assets was £108,000 (2018: £46,000).

| Amount recognised in the Statement of Financial Activities | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Current service cost | 132 | 139 |
| Past service cost | 65 | - |
| Interest income | (32) | (25) |
| Interest cost | 47 | 41 |
| Total operating charge | <u>212</u> | <u>155</u> |

| Changes in the present value of defined benefit obligations | 2019 £000 |
|---|--------------|
| At 1 September 2018 | 1,687 |
| Current service cost | 129 |
| Interest cost | 47 |
| Employee contributions | 23 |
| Actuarial loss/(gain) | 409 |
| Benefits paid | (18) |
| Past service cost | 65 |
| At 31 August 2019 | <u>2,342</u> |

| Changes in the fair value of the academy trust's share of scheme assets | 2019 £000 |
|---|--------------|
| At 1 September 2018 | 1,100 |
| Interest income | 29 |
| Actuarial gain | 76 |
| Employer contributions | 107 |
| Employee contributions | 23 |
| Benefits paid | (18) |
| At 31 August 2019 | <u>1,317</u> |

SHERWOOD PARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (17) | (15) |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (83) | - |
| Defined benefit pension costs less contributions payable | 90 | 35 |
| Defined benefit pension scheme finance cost | 15 | 16 |
| Depreciation of tangible fixed assets | 36 | 39 |
| Decrease/(increase) in debtors | 67 | (6) |
| (Decrease)/increase in creditors | (175) | 24 |
| Net cash (used in)/provided by operating activities | (67) | 93 |

20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2019 £000 | 2018 £000 |
|-----------------------------|--------------|--------------|
| Amounts due within one year | 1 | 1 |

21 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

There were no related party transactions during the year other than certain trustee's remuneration and expenses already disclosed under note 10.

22 Members' liability

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