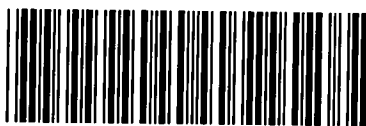


Company Registration Number: 07652902 (England & Wales)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

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SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 26
Governance Statement	27 - 32
Statement on Regularity, Propriety and Compliance	33
Statement of Trustees' Responsibilities	34
Independent Auditors' Report on the Financial Statements	35 - 38
Independent Reporting Accountant's Report on Regularity	39 - 40
Statement of Financial Activities incorporating Income & Expenditure Account	41 - 42
Balance Sheet	43 - 44
Statement of Cash Flows	45
Notes to the Financial Statements	46 - 75

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

F Bodenham
G Knights
C Lennard
L Ross
J. Steventon (Resigned 4 January 2022)
S. Twisleton (Appointed 8 February 2022)

Trustees

A Carter, (CEO and Accounting Officer)
A Abid
K. Boyce (Appointed 4 July 2022)
A Chester
C Handley
G Kendall
C Lennard, (Vice Chair)
S Patterson
L Ross, (Chair)
S Shoveller

Company registered number

07652902

Company name

South Farnham Educational Trust

Principal and registered office

South Farnham School, Menin Way, Farnham, Surrey, GU9 8DY

Company secretary

C Booth

Chief executive officer

A Carter

Senior management team

A Carter, Chief Executive Officer
C Harnden, Deputy Chief Executive Officer, Director of Teaching School Hub & Director of Surrey South Farnham SCITT
C Booth, Finance & Business Director
A-M Bahaire, Director of ITT
C Donnachie, Deputy Director of Teaching School Hub
E Whitbourn, Headteacher South Farnham School
G West, Headteacher Highfield South Farnham School
F O'Neill, Headteacher The Raleigh School
N Mann (from 1 September 2021), Co-Headteacher Wallace Fields Infant School & Nursery
J Hallums (from 1 September 2021), Co-Headteacher Wallace Fields Infant School & Nursery
D Heatley (from 1 April 2022), Headteacher Busbridge Infant School
J Allen (from 1 September 2022), Headteacher Great Bookham School

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Independent auditors

James Cowper Kreston Chartered Accountants Statutory Auditors, Reading Bridge House, George Street,
Reading, RG1 8LS

Bankers

HSBC, 33 The Borough, Farnham, Surrey, GU9 7NJ

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

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 Trustees of South Farnham Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as South Farnham Educational Trust.

The Academy Trust was incorporated on 31st May 2011 and opened as an Academy on 1st July 2011 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.

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

The trust operates six primary academies in the south east of England. Its academies have a combined pupils on roll of 2,250 (excluding 92 nursery children) in the school census on 6 October 2022.

Members' Liability

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

Trustees' Indemnities

The Trust has joined the Department for Education's risk protection scheme that offers indemnity to cover Trustees and officers in respect of losses arising as a result of claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of the indemnity is £10,000,000.

Principal activities

The principal activity of the academy trust is to advance for the public benefit by establishing, maintaining and carrying on managing and developing the schools offering a broad and balanced curriculum and training teachers through the SCITT and Teaching School Hub.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Method of Recruitment and Appointment or Election of Trustees

The members may appoint up to six directors through ordinary resolution. The Academy Trust may also appoint any Co-opted Trustee. Parent and staff representatives are within the local governing body at each individual school.

The Board of Trustees have overall responsibility and ultimate decision making authority for all work of the Trust including the establishing and running of the academies operated by the Trust. In order to assist with the discharge of their responsibilities, the Directors have established a Local Governing Body for each academy pursuant to Articles 100 to 104 of the Articles of Association of the Trust. This arrangement will be reviewed annually. The Trust has updated its articles to the latest model from the DfE with a minimum size of three and is not subject to any maximum.

Trustees and Local Governors are appointed for a 4 year period. Subject to remaining eligible to be a particular type of Governor, any Governors can be re-appointed or re-elected.

When appointing new Trustees, the Trust Board will give consideration to the skills and experience mix of existing Trustees in order to ensure the Trust Board has the necessary skills to contribute fully in the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are appointed based on the skills that they will bring to the Trust Board. Trustees receive information relating to the Trust and attend a briefing and receive an induction pack on the role and responsibilities of Trustees. There is a SFET Governance Portal on SharePoint providing access to information needed to undertake their Governance roles. The Trust has a service level agreement for Trustee support and training for Trustees and Local Governing Members is offered through this training programme. All Trustees and Local Governors are members of the NGA and have access to the induction and other training courses on offer.

During the period Trustees and Local Governors were offered all necessary training through a mixture of in-house and external courses and webinars. Training was a mixture of in person and online during 2021-22.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Organisational Structure

The Trust has converted from a single academy trust to a multi-academy trust and has sponsored another academy, Highfield South Farnham. From September 2016 it took on full responsibility for the Surrey South Farnham SCITT, previously a partnership with Surrey County Council. The Raleigh School, a single convertor academy joined the Trust on 1st July 2017. On 1st September 2021 Wallace Fields Infant School and Nursery joined the Trust. On 1st April 2022 Busbridge Infant School joined the Trust and on 1st July 2022 Great Bookham School joined the Trust. The Trust is now working with a number of potential new schools to develop a multi-academy trust that seeks to develop excellence across Surrey, Hampshire and beyond. The Accounting Officer is the Chief Executive Officer, Sir Andrew Carter. In an exciting initiative St.Mary's, Frensham, joined SFET as an 'associate member' on 13th September 2017. This is an affirmation of the close relationship between SFET and St.Mary's and our wish to work together in the on-going development of primary pedagogical excellence. SFET will share Continual Professional Development opportunities with St.Mary's and their staff will contribute to the delivery of the professional studies programme of Surrey South Farnham SCITT. The purpose of Associate Membership is to have a shared approach to school improvement and educational provision for the benefit of the children, families and the broader school community.

The structure consists of four levels: the Trustees, Local Governing Body Members, Senior Leadership Team and Middle Leadership/Heads of Year & Curriculum faculties. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trust Senior Leadership Team consists of the Chief Executive Officer, the Deputy Chief Executive Officer (also Director of the Teaching School Hub), the Director of ITT, the Deputy Director of the Teaching School Hub, the Headteachers and the Finance & Business Director. These leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them.

The Trust Board has eleven sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Chief Executive Officer (the Accounting Officer) and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-Committee detail the School's authorised spending limits.

The sub-committees of the Trust Board are the:

- Finance Committee (including the functions of an audit and risk committee)
- Pay, Personnel & Performance Committee
- Admissions Committee
- South Farnham School Local Governing Body
- Highfield South Farnham Local Governing Body
- The Raleigh School Local Governing Body
- Wallace Fields Infant School and Nursery Local Governing Body
- Busbridge Infant School Local Governing Body
- Great Bookham School Local Governing Body
- SCITT Strategic Board
- TSH Strategic Board

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration of key management personnel

The Pay Committee meet at least once a year to discuss the performance of senior leadership and the arrangements for setting the pay and remuneration of all key management personnel. External advice has been taken by the committee from an external consultant who reviewed the procedures used for this process. Remuneration is set at appropriate levels taken from the school leadership scales, taking into account performance review. The Pay, Personnel & Performance Committee sets the remuneration for the CEO. Benchmarking for this has been used from the Queens Street Group and CST data.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2020, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

There were no employees who were relevant union officials during the relevant period.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust. Each of the Academies within the Trust has a PTA that raises money for the schools through fundraising activities. South Farnham School, The Raleigh School and Great Bookham School also have charitable trusts that raise additional funds for their school. South Farnham School Services Ltd is a wholly owned subsidiary of South Farnham School Trust. None of these organisations are controlled by South Farnham Educational Trust and are not included within these financial statements.

Engagement with employees (including disabled persons)

All employees are given an induction pack and relevant training on joining the trust. Policies and procedures are available to all staff on SharePoint and the Employee Portal and staff are made aware of the factors that affect the wellbeing and performance of children in school. Regular staff meetings ensure staff are involved in decision making and that their views are considered. Applications for job vacancies that arise are welcomed from all, including employees who are disabled. Any employee that may become disabled whilst working for the Trust is given suitable support with the guidance of occupational health specialists. Training, career development and promotion is encouraged for all staff including disabled employees.

Engagement with suppliers, customers and others in a business relationship with the trust.

The Trust, each school, the SCITT and the Teaching School Hub all keep their websites up to date with current news and key performance data information to ensure maximum engagement with all of their stakeholders. This includes parents, pupils, staff, trustees, local governors, trade suppliers, customers and the wider community. Staff continually work hard to build a community, engage with other schools and inspire those people they work with. The regular publication of newsletters at each school ensures parents and other stakeholders are kept up to date with current news and remain fully engaged with the schools.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Objectives and Activities

Objects and Aims

The principal objects of the company as set out in its Articles of Association are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Whilst all schools in our Trust will have their distinctive features, all will show commitment to, and be accountable for, a shared drive for excellence in all aspects of educational provision. All staff will be valued and will be provided with a safe and professional working environment.

There will be high expectation and challenge for every pupil to fully develop and achieve intellectually, physically, socially and aesthetically.

All policies, procedures and practices will be developed in conjunction with stakeholders, as appropriate, and directed, approved and monitored by the Trust.

All pupils are encouraged to:-

- develop into happy and confident individuals with a secure foundation in learning that will last throughout their lives.
- develop lively and enquiring minds through knowledge with understanding.
- establish a command of the subjects contained in the National Curriculum.
- value and understand religious and moral beliefs, develop a respect for the views of others and an understanding of British values.
- understand something of the world in which we live with regard for our mutual dependence on others as individuals, groups and nations.
- appreciate human achievements and aspirations.

All schools in the Trust will provide:-

- a school environment in which children can enjoy learning and developing social skills with others
- a differentiated and challenging curriculum including rigorous assessment procedures which ensures that no child is overlooked and every child succeeds
- whole school and individual staff professional development which ensures the highest quality of teaching and learning
- whole-school procedures and practices which ensure consistency and clarity of approach to the education of the children representative of the principles and aims above

The Trust and all member schools will aim to:-

- play their part in raising national standards in education through sharing good practice with other school and teachers across the country
- take a leading role in national initiatives and be in the forefront of educational thinking and improvement

The Academy Trust has the responsibility and authority to ensure that all schools within the Trust fulfil the principles and aims outlined above.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Activities

Teaching School Hub



South Farnham School has been designated as a Teaching School Hub. This newly designated status has built upon the school's experience as a National Support School and their work as a pioneering cohort one Teaching School in 2011. We are delighted to continue with this important strategic role which places us at the heart of the national educational agenda.

Teachers across the country benefit from vital developmental support and expert advice, allowing them to improve a broad range of vital teaching skills. The teaching workforce will get best-practice and expert advice on how best to engage with pupils, lesson planning, and classroom management, as the Teaching School Hubs programme is rolled out across the country.

South Farnham School is one of only 87 schools in England selected to be designated as a Teaching School Hub. Each hub works with a designated area ensuring coverage across the country, serving on average around 250 to 350 schools each. They will provide high-quality professional development to teachers and leaders at all stages of their career and play a key role in helping to build up trainee teachers as they enter the workforce. This will further level up the quality of teaching, allowing every child to receive a world-class start in life no matter where they are born.

South Farnham School lead the SESL 11 region (289 schools in Guildford, Waverley, Rushmoor, Hart, East Hampshire, Basingstoke and Deane) whilst continuing to work with their current partner schools across Surrey, Sussex, Berkshire, Hampshire and the London Boroughs. Relationships with neighbouring Teaching School Hubs, curriculum hubs and national providers have been developed to draw upon the best of regional and national expertise as South Farnham School introduce some of the most exciting changes to teacher development in a generation.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)



Teaching School Hubs will provide high-quality professional development to teachers at all stages of their careers. South Farnham School will be expected to play a significant role in delivering:

- school-based initial teacher training (ITT) - South Farnham SCITT trained **169 trainees** in 2021-22 and **143** trainees are currently being trained 2022-23
- the early career framework - we are currently training over **1,100 (592 ECTs and 592 mentors)**. A two-year programme.
- the new specialist national professional qualifications (NPQ) and the revised leadership NPQs (we have recruited over **572** 2021-present). We will recruit for an additional February cohort.
- Appropriate Body services for early career teachers (we are assessing **589** Early Career Teachers)
- Teacher development and training. The hub is delivering the National SENCO Award in partnership with the University of Surrey.

South Farnham School's designation as a Teaching School Hub has recognised the substantial contribution that it makes to teacher development in the area. Surrey South Farnham SCITT has been re-accredited by the Department for Education and is graded Outstanding by OFSTED.

The Teaching School Hub website provides full information regarding the wealth of opportunities available to teachers, leaders and schools in the region: www.tshubsfet.org.uk.

More information on Teaching School Hubs is available on gov.uk: [Teaching school hubs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/teaching-school-hubs).

Teaching School Hub Council

The Department for Education have appointed members to the new teaching school hubs council (TSHC). This is the sector body for teaching school hubs. The TSHC advocates for a great education for every pupil, regardless of their background, and supports the national network of teaching school hubs in England.

Claire Harnden (Deputy CEO) has been appointed to the council for 2021-23 and will chair a new ITT and Appropriate Body national advisory group.

The TSHC has 2 specific functions:

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

1. an advisory function - representing the network of teaching school hubs, engaging with and advising the Department for Education (DfE) on national policy
2. a capacity building function - supporting the creation and growth of teaching school hubs, ensuring capacity for successful delivery of the:
 - early career framework (ECF)
 - national professional qualifications (NPQs)
 - initial teacher training (ITT)
 - appropriate body (AB) role
 - additional continuing professional development (CPD)

The Teaching School Hub offers professional development for Teaching Assistants. Tutorial/workshops are delivered at South Farnham School and virtually throughout the year. Each candidate has personalised training plan with tailored online learning modules to work through.

South Farnham Teaching School is an **Appropriate Body (AB) for the Professional Induction of Newly Qualified Teachers and Early Career Teachers** for primary, secondary and SEND schools and academies across Surrey and Hampshire. This service is built around the three main responsibilities of administration, quality assurance and supporting & monitoring. It is the responsibility of schools to ensure that they commit appropriate resources to the induction of newly qualified/early career teachers. It is the responsibility of the Appropriate Body to ensure quality of this induction provision. The South Farnham Teaching School AB programme is a streamlined assessment process related to the Teachers' Standards; it is focused on efficient use of time for greatest impact on the teacher's progress and attainment.

Our Appropriate Body will:

- Register and monitor the progress of NQTs and ECTs and report to the TRA
- Make decisions on the outcome of statutory induction for NQTs and ECTs
- Hold half termly twilight training meetings and clinics at different venues across Surrey and Hampshire at no extra cost for NQTs and ECTs
- Deliver a training session for Induction Tutors and mentors of NQTs and ECTs who are new to the South Farnham Teaching School Appropriate Body
- Provide a handbook for all NQTs and ECTs and Induction Tutors and mentors
- Quality assure schools' systems for monitoring, supporting and assessing NQTs and ECTs
- Provide phone/ email support for Headteachers and Induction Tutors

Relationships, Sex and Health Education (RSHE)

Following a successful bid, South Farnham School was designated as a RSHE Hub for the South East region (primary and secondary) by the Department for Education. Our lead subject experts have worked with DfE resources to create and facilitate a full training package. A 'train the trainer' approach has ensured that training can be cascaded to additional schools by participants. Peer support is offered to all participating schools along with a dedicated resource area on our website. Our RSHE hub demonstrated capacity and swift reach to 300+ primary schools in the South East during summer 2020 with over 500 additional schools were trained during 2020-22. Regional webinars have engaged RSC teams, DfE, LAs, PHE and others in advisory roles to ensure that as many schools as possible can benefit from our support to successfully implement statutory changes.

Professional Development

As a Teaching School we offer a range of professional development opportunities for teachers and school support staff, extending our strong learning culture to schools we work with. Continual professional development is a fundamental right and responsibility of every teacher. SFET Teaching School Hub has developed a comprehensive programme of training which addresses the needs of all adults working with children, whatever their experience or stage of career development. We have training facilities for groups of all sizes, all with access to a wide range of multi-media resources, delivered by outstanding practicing professionals. In addition, these programmes provide wide ranging CPD for the team of staff who plan and deliver the training.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Surrey Schools Learning Partnership

As part of Surrey Teaching Schools Network we have been instrumental in the development of Surrey Schools Alliance for Excellence (SAfE); a collaboration with the Surrey Phase Councils and Surrey County Council to develop and deliver a sustained approach to support outstanding teaching, learning and leadership in schools. We have provided case studies of best practice, Headteacher training on safe and effective remote recruitment and input into a school audit to consider post-COVID recovery in education and the importance of quality first teaching. We continue to provide training materials and facilitators for schools in the Region and are commissioned to run programmes on behalf of SAfE each year.

South Farnham SCITT

South Farnham has an established role in the training of teachers having been a Recommending Body in its own right, part of the Surrey Designated and Accredited Recommending Body and then the Surrey Primary EBITT. In September 2012, in collaboration with Surrey LA and Babcock International, the Surrey South Farnham SCITT opened providing much needed primary ITT provision in the county of Surrey and surrounding areas. On 1st September 2016 the SCITT was migrated to South Farnham Educational Trust.

Whilst developing a unique and distinctive school-led programme, South Farnham SCITT has built on the qualities of the graduate teacher methodology of the EBITT. The programme is built around a trainee having an on-going experience in one host school together with a six-week experience in a contrasting school and several subject-related short experiences. Types of programme include School Direct Tuition Fee, School Direct Salaried, Postgraduate Teacher Apprenticeships and Assessment Only.

South Farnham SCITT are nationally recognised for school direct recruitment, quality of provision and employment and are the largest Primary SCITT operating in Surrey. In March 2014 an OFSTED inspection team described South Farnham SCITT as 'Outstanding' in all categories. The 2015 Good Teacher Training Guide rated South Farnham SCITT in the top 10 of UK providers and in 2017 as top of the UK table for employment. NCTL further recognised SSF in 2016 with a three-year allocation of places (an honour given to top HEIs and SCITTs). In 2017 the NCTL awarded South Farnham SCITT with a 'multi-year allocation'. This provided an unlimited allocation of places for the years ahead. This year, the Department for Education have accredited the SCITT to deliver ITT post-2024. The accreditation process was designed to ensure that all ITT providers can deliver high-quality ITT against new quality requirements.

Sir Andrew Carter, KBE (CEO of South Farnham Educational Trust) is regularly invited to speak at national conferences and educational events about the future of ITT, QTS and has chaired the Trailblazer employer group for the new Postgraduate Teacher Apprenticeship (a post taken up by our Deputy CEO & Director of TS Hub, Claire Harnden). In 2015, Andrew was asked to conduct a national review of ITT and a report containing recommendations for Government was published (The Carter Review). Three significant reports followed to develop three important recommendations (training on behaviour management, a core curriculum for ITT and national mentor standards). South Farnham SCITT is proud to feature as a case study in the national mentor standards.

Over 200 primary schools throughout Surrey and the surrounding areas make up the South Farnham SCITT partnership. South Farnham SCITT retains the services of a panel of talented heads, consultants, deputies and senior staff very familiar with the current ITE programmes. Internal quality assurance largely comes from this body whilst the external quality assurance is provided by Andy Ogden (NASBTT Trustee, Deputy CEO of Tarka Trust and previous Programme Manager of the Devon Primary SCITT). Ann-Marie Bahaire is our Director of ITT and has a team of four Cohort Leads overseeing regional hub areas.

For 2022-23 there are 143 trainees. This provides extensive CPD opportunities for the class teachers, mentors and Support Tutors who work with the trainees as well as the wide team of staff who plan and deliver the training.

The class of 2021-22 celebrated their SCITT Graduation with a ceremony at Guildford Cathedral on Friday 21st October, 2022. Oliver Caviglioli, joined the celebrations. Oliver Caviglioli is best known for his work on cognitive science, instructional techniques for educators and dual coding. His collaboration with Tom Sherrington and

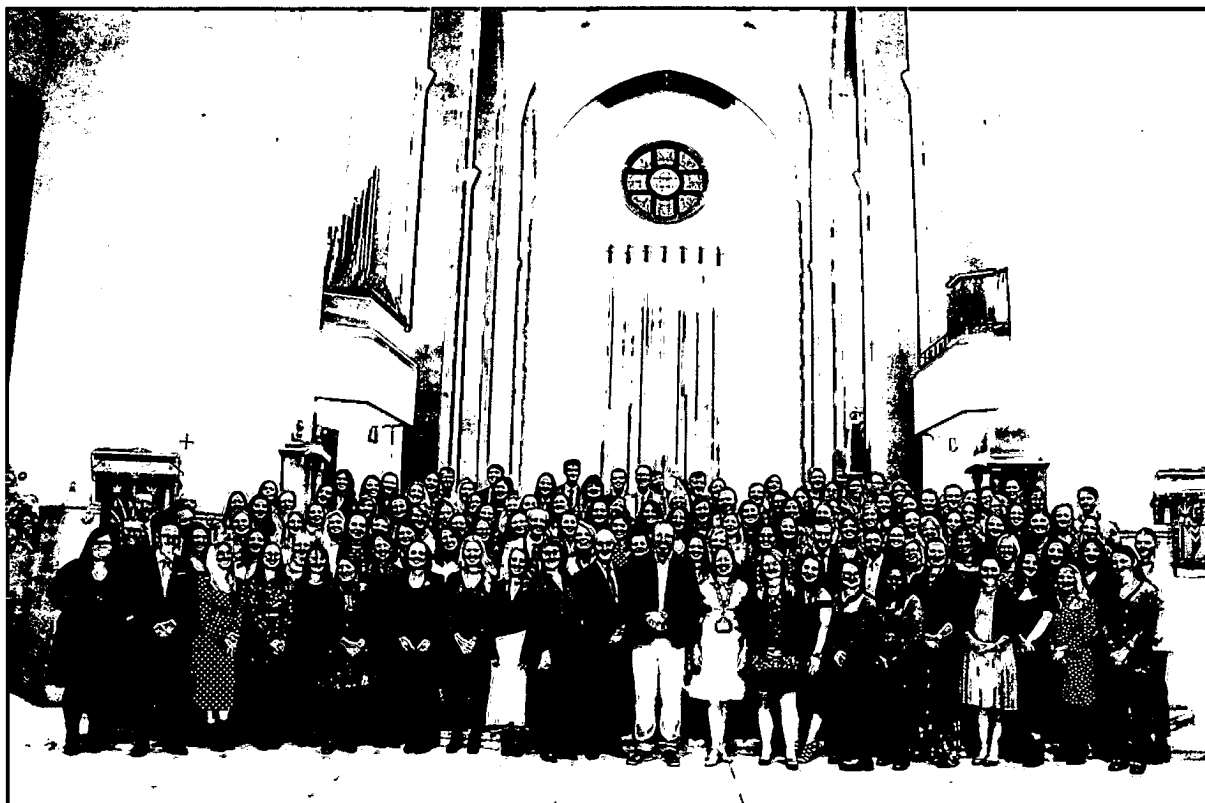
SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

other leading education experts has resulted in publication of a series of WalkThru texts and online study that have been embraced by schools, SCITTs, Universities and teachers across 35 countries.

The children of South Farnham School provided a beautiful choral opening to the ceremony.



Following an inadequate OFSTED, The Solent SCITT closed. Our SCITT supported provision in this region and has opened a Solent training hub.

George Abbot SCITT has partnered with South Farnham SCITT. All primary ITT provision is now run by South Farnham SCITT with recruitment to secondary programmes planned for a 2024 start. An exciting development. Growth areas include the Solent, Hampshire (Basingstoke in particular), Sussex and Hillingdon.

Ann-Marie Bahaire has provided external examination services and compliance audits for a SCITT in Pimlico and Milton Keynes.

South Farnham SCITT operates as an End Point Assessment Organisation (EPAO) for the Teacher Apprenticeship. The SCITT has conducted over 120 assessments to date.

Claire Harnden continues to work as a NASBTT Trustee (National Association of School Based Teacher Trainers), member of the DfE ITT Advisory Group (ITTAG), Chair of the London and South-East 3 network, Chair of the TSHC ITT Advisory Board and Chair of the Teacher Trailblazer Group.

All of these activities support our aim to play our part in the national education agenda for the benefit of the education of all children. The children are educated in an environment where learning is seen to be a lifelong activity.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

National Support School

Sir Andrew Carter has worked as a National Leader of Education and South Farnham School has been designated a National Support School. This allows us to continue our well-established role in the raising of standards in other schools both in Surrey and nationally. We have visits from approx. 30-40 schools annually, to work with Leadership Teams, Governors and School Business Managers.

In a more formal role we support schools in difficulty, sometimes working in partnership with the Local Authority. As a National Support School, we have supported several schools in Special Measures/R.I. through the Deployment Fund (National College) and in conjunction with Surrey LA School Improvement programmes. We continue to support schools across Surrey, and further afield, in difficult circumstances. We play a key role in our local Maths Hub and Farnham Confederation with teachers delivering training and working on collaborative cross-phase projects.

South Farnham School is a lead school in ITT, Mathematics, AfL, Leadership and Management and School Business Management and act in an advisory capacity with the DfE and other national organisations such as the National Centre for Excellence in Mathematics.

Sir Andrew Carter has been appointed as a Primary Academy Associate and is part of a small team of primary academy Headteachers (around 15 nationally) who offer advice and support to schools across the country who wish to become academies.

As the Lead Primary school in our Regional Maths Hub we are further developing Maths Mastery, curriculum development and variation and providing support for other schools in developing their mathematical teaching and pedagogy. The Deputy CEO is a member of the NE Hants and Surrey Maths Hub Strategic Board.

In addition, we are the Lead Primary school in our Regional Science Learning Partnership and we provide professional development for science curriculum leaders and teachers as well as for colleagues delivering training.

The Chief Executive Officer sits on: the Surrey Primary Council; Surrey LA Finance Forum, the South East RSC Advisory Board and the Queen Street Group and speaks on financial and other educational issues at venues across the UK.

A distinctive aim of the trust is its enduring quest for excellence. Tangible evidence of this is the 'outstanding' (OFSTED 2012 – South Farnham School, 2017 – The Raleigh School, 2018 – Highfield South Farnham and 2021 – Wallace Fields Infant School and Nursery) environment which has been developed for teaching and learning.

We are committed to the widest possible provision for our pupils. Extended provision includes over 45 extracurricular clubs a week and a before and after school care facility at all school sites.

There is extensive use of the buildings by the community during the school day and in the evenings e.g. choirs, Pilates and local community groups.

Our 'Bright Futures' Programme is an initiative which introduces primary age children to the world of work and wealth creation through structured involvement of members of the local community. Children begin to develop an awareness of the relevance of their learning to future hopes and aspirations and an understanding is fostered of the responsibilities and opportunities of being a contributing adult.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit education in the Surrey area and the surrounding area, offering a broad curriculum.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Strategic Report

Achievements and Performance

Key Stage 2 Results

We are delighted with our 2021-22 End of Key Stage 2 Results.

		South Farnham School Cohort size: 2018 (133), 2019 (136), 2020 (135), 2021 (135), 2022 (172)					Highfield School Cohort size: 2017 (59), 2018 (59), 2019 (61), 2020 (60), 2021 (60), 2022 (32)					The Raleigh School Cohort size: 2017 (50), 2018 (50), 2019 (50), 2020 (64), 2021 (64), 2022 ()					The Great Bookham School Cohort size: 2021 (32), 2022 (48)				
		Combined (R,W,M)	Reading	Writing	SPAG	Maths	Combined (R,W,M)	Reading	Writing	SPAG	Maths	Combined (R,W,M)	Reading	Writing	SPAG	Maths	Combined (R,W,M)	Reading	Writing	SPAG	Maths
Children achieving expected standard + (%):																	The school joined SPET July 22				
2020-21*	FFT	64%	77%	71%	61%	74%	64%	77%	71%	61%	74%	64%	77%	71%	61%	74%	64%	77%	71%	61%	74%
	School	100%	100%	100%	100%	100%	83%	93%	90%	83%	83%	98%	100%	98%	100%	100%	63%	78%	71%	81%	69%
2021-22	National	59%	69%	69%	72%	71%	59%	69%	69%	72%	71%	59%	69%	69%	72%	71%	59%	69%	69%	72%	71%
	School	100%	100%	100%	100%	100%	81%	91%	84%	81%	94%	97%	98%	98%	100%	100%	63%	83%	71%	77%	77%
Children achieving higher standard (Greater Depth - %):																					
2020-21*	FFT	12%	32%	17%	21%	24%	12%	32%	17%	21%	24%	12%	32%	17%	21%	24%	12%	32%	17%	21%	24%
	School	63%	74%	76%	81%	81%	30%	43%	50%	33%	30%	37%	60%	49%	71%	60%	16%	31%	19%	22%	34%
2021-22	National	FFT 7%	FFT 28%	FFT 13%	FFT 29%	FFT 23%	FFT 7%	FFT 28%	FFT 13%	FFT 29%	FFT 23%	FFT 7%	FFT 28%	FFT 13%	FFT 29%	FFT 23%	FFT 7%	FFT 28%	FFT 13%	FFT 29%	FFT 23%
	School	47%	70%	77%	81%	64%	16%	44%	38%	44%	28%	23%	59%	27%	67%	67%	10%	33%	17%	25%	31%

* 2019-2021 based on Teacher Assessment conducted in March 2020 and May 2021. Entered as raw data to FFT Aspire (COVID-19). FFT Aspire used in absence of national data.

Key Stage 1 Results

We are also delighted with our 2020-21 End of Key Stage 1 Results

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

South Farnham School Cohort size: 2017 (59), 2018 (90), 2019 (90), 2020 (89), 2021 (91), 2022 ()				Highfield School Cohort size: 2017 (29), 2018 (28), 2019 (54), 2020 (33), 2021 (50), 2022 ()				The Raleigh School Cohort size: 2017 (59), 2018 (60), 2019 (60), 2020 (60), 2021 (60), 2022 ()				Wallace Field Infant School Cohort size: 2021 (60), 2022 (60)				Busbridge Infant School Cohort size: 2021 (), 2022 (58)				The Great Bookham School Cohort size: 2021 (20), 2022 (21)													
Reading		Writing		Maths		Reading		Writing		Maths		Reading		Writing		Maths		Reading		Writing		Maths		Reading		Writing		Maths					
Children achieving expected standard + (%):																																	
2020-21*		FFT		67%		59%		68%		77%		59%		68%		67%		59%		68%		67%		59%		68%		67%		59%		68%	
		School		99%		96%		97%		74%		73%		80%		90%		85%		95%		86%		65%		68%		93%		93%		93%	
				Combined: 93% (FFT: 54%)		Combined: 74% (FFT: 54%)		Combined: 85% (FFT: 54%)		Combined: 57% (FFT: 54%)		Combined: 89% (FFT: 54%)		Combined: 45% (FFT: 54%)																			
2021-22		National																															
		School		97%		97%		98%		80%		73%		90%		87%		76%		90%		90%		90%		92%		91%		91%		98%	
				Combined: 97%		Combined: 73%		Combined: 77%		Combined: 90%		Combined: 88%		Combined: 68%																			
Children achieving higher standard (Greater Depth - %):																																	
2020-21*		FFT		20%		10%		16%		20%		10%		16%		20%		10%		16%		20%		10%		16%		20%		10%		16%	
		School		71%		35%		59%		20%		15%		13%		48%		41%		33%		47%		22%		35%		30%		23%		23%	
				Combined: 30% (FFT 7%)		Combined: 12% (FFT 7%)		Combined: 23% (FFT 7%)		Combined: 17% (FFT 7%)		Combined: 19% (FFT 7%)		Combined: 15% (FFT 7%)																			
2021-22		National																															
		School		66%		37%		61%		34%		22%		27%		35%		23%		28%		42%		30%		38%		55%		5%		40%	
				Combined: 32%		Combined: 20%		Combined: 18%		Combined: 23%		Combined: 5%		Combined: 18%																			
* 2019-2021 based on Teacher Assessment (COVID-19) - FFT Aspire used for 2020 and 2021 data (in the absence of national data)																																	

Multiplication Check

South Farnham School Cohort size: 2021 (136), 2022 (136)					Highfield School Cohort size: 2021 (60), 2022 (52)					The Raleigh School Cohort size: 2021 (64), 2022 (64)					The Great Bookham School Cohort size: 2021 (), 2022 (38)				
100% (25/25)	96% (24/25 and above)	92% (23/25 and above)	Chn. ach. < 80% (19/25 or less)	Chn. that did not take	100% (25/25)	96% (24/25 and above)	92% (23/25 and above)	Chn. ach. < 80% (19/25 or less)	Chn. that did not take	100% (25/25)	96% (24/25 and above)	92% (23/25 and above)	Chn. ach. < 80% (19/25 or less)	Chn. that did not take	100% (25/25)	96% (24/25 and above)	92% (23/25 and above)	Chn. ach. < 80% (19/25 or less)	Chn. that did not take
2020-21	98% (133 chn)	99%	99%	1%	37% (22 chn)	45%	52%	32%	3%	38% (24 chn)	61%	70%	16%						
2021-22	100% (136 chn)	100%	100%	0%	53% (27 chn)	67%	79%	13%		58% (37 chn)	70%	83%	2%		47% (18 chn)	74%	79%	37%	5% (2 chn)

Key Performance Indicators

Overall Performance

- 2022 EYFS MAT average: 81% GLD (good level of development)
- 2022 Phonics screening (yr 1) MAT average: 92%; Phonics screening (yr 2) MAT average: 97.5%
- 2022 KS1 MAT average: 82% EXP combined and 19% GD combined
- 2022 year 4 MTC MAT average: 64.5% of children achieved 100% (25/25); 78% of children achieved 96% (24/25)
- 2022 KS2 MAT average: 86% EXP combined (59% national) with 24% combined at greater depth
- Outcomes are consistently high and above national benchmarks
- Consistent and effective summative assessment systems in all schools

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Ofsted

During 2021-22 Wallace Fields Infant School and Nursery achieved an Outstanding judgment in an inspection in December 2021.

A distinctive feature of South Farnham School has been its achievement of four Outstanding OFSTED reports (1998, 2003, 2007 and 2012) with no key issues. This demonstrates the sustained period of high performance standard attained by the school.

Contribution to the national education agenda

- SFET is one of the National Institute of Teaching's 12 Associate Colleges – the UK's newly appointed flagship teacher and leadership development organisation
- Sir Andrew Carter has been re-elected as member of the national Headteacher Advisory Board (RSC)
- Claire Harnden appointed to new Teaching School Hub Council, will now chair the AB/ITT Advisory Board and has joined the Strategic Board for the regional Maths Hub
- Claire Harnden is chairing the Teaching Apprenticeship Trailblazer group
- Andrew Carter/Claire Harnden have continued to meet with DfE regarding the Teacher Apprenticeship programme and ITT.
- A pilot is underway of the SFET phonics scheme (Phonics Steps). Teachers across the Trust have contributed to the recording and editing of staff training, resources and creation of materials
- National roll-out of ECF, changes to Induction, RSHE and NPQs in the South-East
- Andrew Carter/Claire Harnden/Claire Booth active members of Queen Street Group CEO, Education and Finance groups. Articles composed by SFET (published)
- Claire Harnden has attended national ITT Advisory Group meetings with DfE and chairs LSE3 regional ITT network for DfE

Financial Performance Indicators

Although the Trust's funding agreement is not subject to a specific carry forward limit on the amount of GAG funding, one of the main financial performance indicators is the level of reserves held at the balance sheet date and, in particular the amount of GAG funding carried forward at the balance sheet date. At 31st August 2022, the balance of the GAG Restricted Fund was £619,331, which is after a transfer of £274,571 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above pupil numbers at the most recent census were 2,342 which is an increase of 23.5% over the previous year due to the expansion of pupil numbers at Highfield South Farnham and the addition of three new schools during the year (Wallace Fields Infant School & Nursery, Busbridge Infant School and Great Bookham School.

As a result the ratio of GAG funding per pupil was £3,850 for the period.

Staffing costs are another key performance indicator for the trust and the percentage of total staff costs to total income for the period was 39.8%, while the percentage of staff costs to total costs was 68.2%

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Going concern

After making appropriate enquiries, the board of trustees 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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

The impact of Covid-19

The trust has continued to be impacted by Covid. Trustees have ensured that risk assessments are being kept up to date in line with government guidelines and the financial impact of the pandemic is being closely monitored. Whilst the mainstream grant income has been received as budgeted, there has been a major loss of voluntary and other income. There has been reduced lettings income, nursery income, before and after school care income, although all of these have improved since the main Covid period during 2020-2021. Additional energy costs were paid as the schools were required to provide adequate ventilation by leaving the windows and doors open throughout the winter. Fundraising activities have also been curtailed as individual events such as those run by PTAs at each school have been reduced in the first half of the year. As the effects of Covid are ongoing the 2022-23 results may also be affected by the ongoing effects of the virus and there will be detailed close monitoring of the budget and reserves levels on a monthly basis going forward. On a positive note attendance at school has remained high and staff, parents and pupils are very supportive of all measures being implemented to help during this post-covid period.

Financial Review

Most of the Trust's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2022 and the associated expenditure are shown as restricted funds in the statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and these are shown as Restricted Fixed Asset Funds. During the year ended 31st August 2022 the Trust received Devolved Formula Capital grant from the ESFA for each academy and Condition Improvement Funding. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

During the year ended 31 August 2022, total expenditure of £13,999,550 was met by recurrent grant funding from the ESFA together with other incoming resources. At 31st August 2022, the balance of the GAG Restricted Fund was £619,331, which is after a transfer of £274,571 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

The Trust successfully applied for a Trust Capacity Grant of £68,900 which has enabled investment in additional staffing and new software to support the expansion of the Trust that has taken place during the year and with further plans going forward. A sponsor capacity grant of £70,000 was provided to support the opening costs and necessary improvements required at Busbridge Infant School as it joined the Trust. A £25,000 pre-opening grant was provided to support the conversion costs at Great Bookham School (previously The Dawnay School). The Headteacher from The Raleigh School was seconded to Great Bookham School (previously The Dawnay School) from June 2021 to August 2022. A new Headteacher has been appointed from September 2022. The Headteacher from Highfield South Farnham has been heavily involved in providing regular support to Busbridge Infant School since November 2021 and this support is ongoing.

During the year to 31st August 2022 the Trust received £22,401 Covid Recovery Premium and £19,622 funding for the National Tutoring Programme which has allowed for investment in additional staff to support pupils to catch up for lost learning during Covid and to teach an ambitious and broad curriculum.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

The premium has been used to improve classroom pedagogy, provide targeted support and support whole-school strategies and is targeted at those children who need it the most.

The Trust applied for capital bids to the Condition Improvement Fund and during the year received funding for one bid, Asbestos Removal at Highfield South Farnham. Due to the delayed announcement last year of CIF bid results, the projects had a later timescale and were completed by March 2022. These were Fire Safety and Asbestos Removal projects at The Raleigh School, Legionella Compliance and Health & Safety project at South Farnham School and a Safeguarding project at Highfield South Farnham. The asbestos removal works at Highfield can only be carried out during the school holiday periods but are due to be completed before the deadline of 31st March 2023.

During 2021-22 the Trust has completed a new library building project at South Farnham School this year that was started in 2020-21 at a total cost of £182,177 from Trust reserves. Two new play areas were developed at Highfield South Farnham (£146,756) and The Raleigh School (£137,464 during 2021-22).

In consideration of staff well-being South Farnham School and the Raleigh School had the Staff Room Kitchen Areas refurbished from Trust reserves.

Wallace Fields Infant School and Nursery invested in a Double Decker Bus that they had converted into a library (£40,298), and Outdoor Classroom (£9,000) and a Log Cabin (£22,815). These projects were funded from Trust reserves.

The Trust invested heavily in IT infrastructure and equipment provision during the year including three new video walls at South Farnham (£30,491), a computer network upgrade and new equipment at Busbridge Infant School (£58,735) and a computer network upgrade and new equipment at Great Bookham School (£96,644). These projects were funded from Trust reserves.

The Raleigh school secured a Connect the Classroom grant for £58,763 which enable them to upgrade their wireless infrastructure and switches. A further £5,831 of Trust reserves was used for this project.

Wallace Fields Infant School and Nursery used a DfE Platform Provisioning Programme grant of £1,500 to set up Google Classroom.

At 31 August 2022 the net book value of fixed assets was £29,552,408. Movements in tangible assets is shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi-Academy Trust.

At 31 August 2022 the value of the LGPS pension deficit was £1,462,000. A detailed explanation of the actuarial basis of this valuation is shown in note 27. This deficit does not exceed the unrestricted funds of the charity and the trustees do not consider this to impact their assessment of going concern.

The balance of total funds held at 31st August 2022 were £31,828,752 which comprised the following:

Restricted Funds (excluding Pension Liability)	£840,326
Restricted Pension Liability Fund	(£1,462,000)
Restricted Fixed Asset Fund	£29,575,031
Unrestricted Funds	£2,875,395

The key financial policies reviewed and adopted during the period included the Financial Policy and Procedures Handbook, which lays out the framework for the Academy's financial management, including financial responsibilities of the Trust Board, Headteachers, managers, budget holders and other staff, as well as the delegated authorities for spending. This policy review included Charging and Remittances, Lettings, Reserves and Asset Management.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Reserves Policy

The Trustees review the reserve levels of the Academy Trust at least annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The level of reserves held at 31 August 2022 total £31,828,752. The reserves will be allocated and spent as part of the Schools Development Plans, to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of each Academy for which reserves will be allocated and determined in order of priority to meet the need of the Academy. £29,575,031 is held in a separate Fixed Asset Fund.

An appropriate level of free reserves has been reviewed in light of possible schools joining the trust and the associated risks that arise. It is also necessary to provide a cushion to cover financial risks facing the Trust from reductions in funding. A portion of free reserves will be used to manage projected reductions in funding and increases in costs, increases in Pension Scheme contribution rates and reductions in deprivation and high needs funding. For these reasons the Trustees have established a short term requirement to keep reserves at 15%. They acknowledge the current level of reserves exceeds this level but these funds will be needed for planned capital projects included within the Trusts Estate Strategy that require significant investment. The Trustees have agreed to put £1,100,000 into a designated reserve at the year end to show funds identified but not yet committed on future capital works. This is towards roofing repairs at South Farnham School and a building project at Busbridge Infant School.

A portion of reserves will be used for condition improvement and to support an increase in pupil numbers from an additional class at Highfield South Farnham School.

The reserves must provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. During 2020-21 the Trustees decided to partially pool a level of reserves to enable a building project to be completed at The Raleigh School in accordance with the strategic development plan for the Trust. The Trustees are now committed to improving the facilities at Busbridge Infant School and Great Bookham, the two most recent schools to join the Trust. This will mean further partial pooling of reserves during 2022-23 to enable these projects to proceed.

The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

Covid has impacted the ability to complete certain capital projects during the year and that has resulted in a higher than normal level of reserves being held at the year end.

Investment Policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. Funds that are surplus to immediate requirements are invested to optimal effect by the Trust in a deposit accounts with the objective of ensuring maximum return on assets invested but with minimal risk. The Trust does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Risk Management

The trust has implemented a risk management policy and created a risk register and risk review process. The main risks identified include both strategic and operational risks and have been assessed under the following categories: Professional – achieving strategic aims, management structures, educational objectives, conduct, liability beyond the classroom and staff and pupil procedures, Safeguarding, Physical – injury to staff and pupils, property, Financial, Legal, Environmental, Contractual, Technological and Disaster recovery.

The Trustees have assessed the major risks to which each Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of each Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health & safety and school trips) and in relation to the control of finance. The Trustees have introduced systems, including internal financial controls in order to minimise risk and are satisfied that systems are in place to mitigate any exposure to major risks. Where risks still remain they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance statement on pages x-x

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of Governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for protection for the vulnerable

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training for staff as well as ensuring there is clear succession planning.

Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

During the Covid-19 period risk assessments for the Trust and each school have been updated in line with the latest government guidance and the updated risk assessment has been shared with staff and parents and published on the schools' websites.

Financial and Risk Management Objectives and Policies

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed at least annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Whilst the Academy Trust is currently oversubscribed, risks to revenue funding from a falling roll are small.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustee and Finance Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Trust's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

The Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. The main fundraising is undertaken by the individual PTA organisations for each school. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trustees and local governors are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensure all activities are agreed and monitored at each academy at senior leadership team level to ensure compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure. During the year no complaints or issues have arisen as a result of any fundraising events.

The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. The trustees, local governors and staff have regard to the Charity Commission publication 'Charity Fundraising' (CC20). All personal information collected by the schools is kept confidential and not sold, given away or disclosed to any third party without consent. Nobody directly or indirectly employed by or volunteering for any of the schools within the trust shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation. Fundraising activities will not be undertaken if they may be detrimental to the good name or community standing of the trust or any of the schools within the trust. Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical. Fundraising activities will not be undertaken if they will expose the organisation to significant financial risk. All fundraising activity is reported to Local Governing Bodies and the Trust Board on a regular basis.

Streamlined Energy and Carbon Reporting (SECR)

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary, with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). This includes all 7 school sites controlled during the reporting period.

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period. Two schools joined the Trust part way through the year (Busbridge Infant School in April

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2022 and Great Bookham School in July 2022); however, full 12 months of energy and emissions has been reported at these schools for benchmarking and future annual comparisons.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and oil consumption were compiled from invoice records. Electricity and gas consumption was pro-rata or benchmark estimated for periods of unavailable data for the 2 new schools. Grey fleet transport has been calculated from mileage expense claims and the Trust does not have any owned vehicles. Gross calorific values were used.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Breakdown of energy consumption used to calculate emissions (kWh):

	2021/22
Energy type	
Mandatory requirements:	
Gas	1,566,209
Purchased electricity from the grid	719,440
Transport fuel	17,343
Total energy (mandatory)	2,292,992
Voluntary requirements:	
Oil	53,125
Total energy (voluntary)	53,125
Total energy (mandatory & voluntary)	2,346,117

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2021/22
Mandatory requirements:	
<u>Scope 1</u>	
Natural gas	284.1
Company owned vehicles	N/A
<u>Scope 2</u>	
Purchased electricity (location-based)	139.1
<u>Scope 3</u>	
Category 6: Business travel (grey fleet)	4.3
Total gross emissions (mandatory)	427.5
<u>Intensity ratios (mandatory emissions only)</u>	
Tonnes of CO ₂ e per pupil	0.190
Tonnes of CO ₂ e per square meter floor area	0.028
Voluntary requirements:	
<u>Scope 1</u>	
Oil	13.8
Total gross emissions (voluntary)	13.8
Total gross emissions (mandatory & voluntary)	441.3
<u>Intensity ratios (mandatory and voluntary emissions)</u>	
Tonnes of CO ₂ e per pupil	0.196
Tonnes of CO ₂ e per square meter floor area	0.029

Intensity ratio

The primary intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2021 Census. A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Energy efficiency action during current financial year

Salix funding was received this year at Great Bookham (formerly The Dawnay School) shortly prior to formerly joining the Trust. This funding amounted to £344,000 and enabled the implementation of the below energy efficiency and low carbon actions:

Thermal efficiency actions:

- External insulation resulting in 7,091 kWh energy savings per year
- Extensive loft and roof insulation
- Heating pipework insulation

Renewable energy actions:

- Solar PV and battery installation
- Solar thermal installation

Electrical efficiency actions:

- LED upgrades and improved lighting controls
- New energy efficient hand driers

Energy management:

- Sub-metering for improved energy management. Furthermore, regular meter readings are taken throughout the Trust's estate and submitted to suppliers.

Plans for Future Periods

South Farnham Educational Trust will continue to maintain and improve, where possible, the existing high educational outcomes of all pupils in the Trust irrespective of ability or disadvantage. In this way all pupils will achieve everything of which they are capable intellectually, physically, emotionally and aesthetically. This plan is reflected in our stated Aims and individual school Action Plans.

We shall continue to deliver the South Farnham SCITT Initial Teacher Training Programme with a projected recruitment of 170 trainees for 2021-22. We will continue to extend the scope of our ITT offer to include the new Post-Graduate Teacher Apprenticeship.

We plan to ensure that all schools in our Trust have the buildings and environments conducive to the delivery of excellent provision and to that end shall be considering the funding options available to ensure these aims are turned into reality. This aligns with our plans to meet parental wishes in respect of their choice of school.

South Farnham Educational Trust plans to work closely with local schools, and those further afield in Surrey and Hampshire, in the consideration of the extension of the Trust's membership to include schools who share our aims and objectives in the development of a primary trust based on shared pedagogical principles.

Funds Held as Custodian Trustee on Behalf of Others

There were no funds held as Custodian Trustee on behalf of others.

Auditors

In so far as the Trustees are aware:

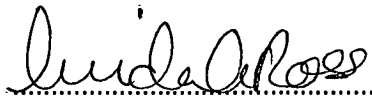
- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on
and signed on its behalf by:

31 December 2022

A handwritten signature in black ink, appearing to read 'Linda Ross', written over a dotted line.

Mrs L Ross
Chair of Trustees

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

As Trustees we have reviewed and taken account of the guidance in DfEs Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 South Farnham Educational Trust and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
L Ross (Chair)	5	5
A. Carter (CEO and Accounting Officer)	5	5
A. Abid	2	5
K. Boyce	5	5
A. Chester	5	5
C. Handley	4	5
G. Kendall	5	5
C. Lennard	4	5
S Patterson	5	5
S. Shoveller	5	5

The Trust is approved as a Sponsor and converted to a multi-academy trust in January 2015. Highfield South Farnham (previously a LA maintained school) joined the Trust as a sponsored academy on 1 February 2015. The Raleigh School, a single convertor academy joined the trust on 1st July 2017. Wallace Fields Infant School and Nursery joined on 1st September 2021, Busbridge Infant School joined on 1st April 2022 and Great Bookham School joined on 1st July 2022.

There is a good mix of skills across the Trust board and Local Governing Bodies with experienced members have been established as sub-committees of the board. In addition, there are Strategic Board sub-committee for both the South Farnham SCITT and Teaching School Hub.

Section 2.3 of the Academies Financial Handbook 2021 sets out that the Board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. The Trustees held five main formal board meetings during the year and all Trustees were invited to attend the finance committee meetings. However, as this year has been a period of rapid growth for the Trust, the Trustees were regularly involved throughout the year in the process of these schools joining the Trust and consider they have met regularly sufficiently to discharge their responsibilities. Due to Covid-19 some of these meetings were held online. All Trustees receive management accounts every month and they have received training in how to read the financial documents that are issued. The Trustees consider that effective oversight of funds has been maintained with this pattern of meetings. Should additional events occur such as another school joining the Trust or significant capital projects additional meetings will be scheduled as necessary.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Trust Board's responsibility to ensure sound management of the academy trust finances and resources, including proper planning, monitoring and probity. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee will make appropriate comments and recommendations on such matters to the Board on a regular basis. Major issues will be referred to the full board for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Lennard (Committee Chair)	3	3
A. Abid	3	3
K. Boyce	3	3
A. Carter	3	3
A. Chester	2	3
S. Shoveller	1	3
L. Ross	3	3
B. Nash (Non-trustee Member)	2	3

For the year ended 31 August 2022 the function of the Audit Committee was covered under the terms of reference of the Finance Committee.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance Reviews

The trust carries out an annual review of its governance arrangements and procedures to ensure the structure and scheme of delegation are appropriate for the efficient running of the Trust. This includes a review of Trustee skills to ensure sufficient knowledge and capacity across the Board. The next review will be held in Spring 2023 prior to updating the Trust handbook that will be published to take effect from September 2023.

Review of Value for Money

As Accounting Officer, the CEO 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 Trustees 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:

Approach

The trustees and school managers have applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school
- The targeting of resources to best improve standards and the quality of provision
- The use of resources to best support the various educational needs of all pupils

Improving Educational Results

To ensure that standards are continually raised the Trust operated a programme of internal reviews of the curriculum. South Farnham School was awarded Teaching School Hub status in 2021.

Targeted improvement: The trust has kept its staffing structure under review and deployed staff efficiently to support an improved curriculum through quality of teaching and learning, adult-pupil ratio and curriculum management.

Focus on individual pupils: Each academy managed the differing needs of pupils through a series of focus group teaching classes that are offered in each year group

Collaboration: The academy trust engaged with other educational providers and experts to share good practice and drive up standards for the least cost. This included work as the lead school in a teaching school alliance.

Financial governance and oversight

The academy 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.

Purchasing, the efficient and effective use of resources

The Trustees and school managers deployed equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Benchmarking: The Finance Committee have reviewed the latest available benchmarking reports for the Trust comparing performance to other primary academies and to all academies in the same local authority to demonstrate that the trust provides good value for money.

Economies of scale: the Academy Trust currently operated over seven sites during 2021-22 and savings have been made by sharing administration and procurement costs, including the purchase of ICT equipment across the trust, and the renewal of energy contracts.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

(continued)

Purchasing: The Trustees have developed procedures for assessing need, obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time and cost. Measures already in place include clearly defined purchasing guidelines:

- Formal tendering procedures (for goods and services over £50,000)
- Procedures for accepting best value quotes which are not necessarily the cheapest (eg suitability for purpose and quality of workmanship)
- For purchases above £10,000 three quotes are required
- Procedures which minimise office time by the purchase of goods or services under £1,000 directly via a purchase order from known, reliable suppliers (eg stationery, small equipment)
- Time and resource is not wasted on investigating minor areas where few improvements and savings can be achieved as this is not considered cost effective and can distract management from more valuable areas
- DfE framework agreements have been used where beneficial, in particular this year for new photocopiers and water contracts.

Maximising income generation

The Trust explored available opportunities to generate income through the letting of facilities, provision of additional services such as training courses and school to school support. Income generation has been impacted this year due to Covid-19.

Reviewing controls and managing risks

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of Trustees and Local Governors are reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for protection for the vulnerable

Insurance levels are reviewed annually and used cost-effectively to manage risks.

Maximising use of resources

Expenditure within each budget heading is reviewed on a regular basis and adjustments are made based on the strategies identified in the Trust and Academies Development Plans.

Pupils' Welfare

The quality of the school environment and the school ethos has been reviewed in order to continue to provide a supportive environment conducive to learning and recreation.

The Academy tracked attendance for all pupils and attendance was well above the national average.

Health & Safety

The Trustees, Local Governors and school managers have reviewed the quality of the school environment and equipment carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

Areas were monitored for best value by:

- In-house monitoring by the Headteachers and curriculum faculty leads
- Termly target setting meetings between the Headteachers and curriculum managers
- Annual performance management

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

(continued)

- Annual budget planning
- Headteachers' monthly financial review
- Visits by internal auditor
- Analysis of school pupil performance data eg SATs results, standardised test results
- Analysis of available financial data eg benchmarking through data for all academies and similar schools
- Analysis of DfE pupil performance data
- Ofsted Inspection reports
- Local Governing member termly classroom observations
- Local Governing members termly committee meetings
- Trustees full termly meetings
- Trustees annual finance review

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 South Farnham Educational Trust for the period 1st September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees 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 Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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 trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint Bishop Fleming to perform a limited scope internal audit review of the academy trust to give advice on financial matters and perform a range of checks on the finance systems. Their reports have been presented to Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. During 2021-22 the reviews focused on governance, income, procurement and payroll. There are no material control issues arising as a result of the auditors' work.

In particular the checks carried out in the current period included a review of financial policies, procedures and

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

minutes from Trustee meetings. In addition:

- testing of financial controls
- checking of declarations of business interests
- testing of control account/ bank reconciliations
- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of control account/ bank reconciliations

This year due to Covid-19 the spring and summer term visits were both completed virtually. The reviewer prepared an annual summary outlining areas reviewed, key findings and recommendations and conclusions to help the trustees consider actions and assess year on year progress.

The internal scrutiny arrangements of the trust changed during 2020-21 due to the requirements of the newly revised FRC Ethical Standards for auditors where a firm providing external audit to an entity shall not also provide audit services to it. The Trustees have re-appointed Bishop Flemming to carry out the internal scrutiny review during 2022-23.

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the work of the Finance Committee
- The work of the Local Governing Bodies
- the work of the senior leadership team within each academy 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 Trust Finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

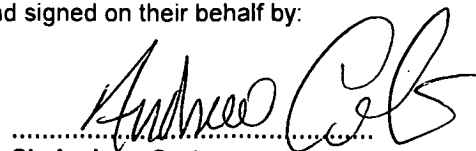
Approved by order of the members of the Board of Trustees and signed on their behalf by:



Mrs Linda Ross
Chair of Trustees

Date:

1.12.22



Sir Andrew Carter
Accounting Officer

31.12.22

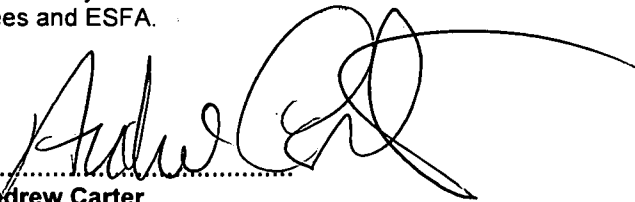
SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of South Farnham Educational Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2021.

I confirm that I and the academy trust Board of Trustees 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 2021.

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



.....
Sir Andrew Carter
Accounting Officer

Date: 31.12.22

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

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

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

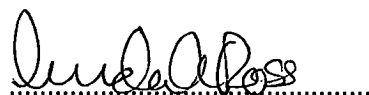
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



L Ross
Chair of Trustees

Date:
1.12.22

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST (CONTINUED)

Use of our report

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



Alexander Peal BSc (Hons) FCA DchA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants Statutory Auditors

Reading Bridge House

George Street

Reading

RG1 8LS

Date: 8 December 2022

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH
FARNHAM EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Farnham Educational Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Farnham Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Farnham Educational Trust's funding agreement with the Secretary of State for Education dated 7 January 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Approach

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

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

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

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

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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



James Cowper Kreston
Chartered Accountants Statutory Auditors

Reading Bridge House
George Street
Reading
RG1 8LS

Date: 8 December 2022

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Income from:						
Donations and capital grants:	4					
Other donations and capital grants		356,257	-	318,676	674,933	345,929
Transfer from local authority on conversion		254,011	(179,000)	5,716,156	5,791,167	-
Transfer of existing academy		685,069	(930,000)	4,444,165	4,199,234	-
Other trading activities	6	1,047,420	-	-	1,047,420	316,707
Investments	7	514	-	-	514	47
Charitable activities:	5					
Funding for the academy trust's educational operations		244,322	10,134,528	-	10,378,850	7,801,508
Teaching schools		-	1,908,522	-	1,908,522	1,710,338
Total income		2,587,593	10,934,050	10,478,997	24,000,640	10,174,529
Expenditure on:						
Charitable activities		487,362	10,724,729	1,063,044	12,275,135	8,735,611
Teaching schools		-	1,724,415	-	1,724,415	1,673,449
Total expenditure	8	487,362	12,449,144	1,063,044	13,999,550	10,409,060
Net income/ (expenditure)		2,100,231	(1,515,094)	9,415,953	10,001,090	(234,531)
Transfers between funds	19	(417,863)	(274,571)	692,434	-	-
Net movement in funds before other recognised gains/(losses) carried forward		1,682,368	(1,789,665)	10,108,387	10,001,090	(234,531)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Net movement in funds before other recognised gains/(losses) brought forward		1,682,368	(1,789,665)	10,108,387	10,001,090	(234,531)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	5,440,000	-	5,440,000	(610,000)
Net movement in funds		<u>1,682,368</u>	<u>3,650,335</u>	<u>10,108,387</u>	<u>15,441,090</u>	<u>(844,531)</u>
Reconciliation of funds:						
Total funds brought forward	19	1,193,027	(4,272,009)	19,466,644	16,387,662	17,232,193
Net movement in funds	19	1,682,368	3,650,335	10,108,387	15,441,090	(844,531)
Total funds carried forward	19	<u>2,875,395</u>	<u>(621,674)</u>	<u>29,575,031</u>	<u>31,828,752</u>	<u>16,387,662</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07652902

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	29,552,408	19,397,622
		<u>29,552,408</u>	<u>19,397,622</u>
Current assets			
Stocks	16	17,020	4,365
Debtors	17	1,074,845	313,969
Cash at bank and in hand		4,195,325	2,267,990
		<u>5,287,190</u>	<u>2,586,324</u>
Creditors: amounts falling due within one year	18	(1,548,846)	(927,284)
Net current assets		<u>3,738,344</u>	<u>1,659,040</u>
Total assets less current liabilities		<u>33,290,752</u>	<u>21,056,662</u>
Net assets excluding pension liability		<u>33,290,752</u>	<u>21,056,662</u>
Defined benefit pension scheme liability	27	(1,462,000)	(4,669,000)
Total net assets		<u><u>31,828,752</u></u>	<u><u>16,387,662</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	29,575,031	19,466,644
Restricted income funds	19	840,326	396,991
		<u>30,415,357</u>	<u>19,863,635</u>
Restricted funds excluding pension asset	19	30,415,357	19,863,635
Pension reserve	19	(1,462,000)	(4,669,000)
Total restricted funds	19	<u>28,953,357</u>	<u>15,194,635</u>
Unrestricted income funds	19	<u>2,875,395</u>	<u>1,193,027</u>
Total funds		<u><u>31,828,752</u></u>	<u><u>16,387,662</u></u>

SOUTH FARNHAM EDUCATIONAL TRUST

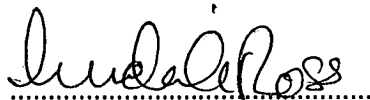
(A company limited by guarantee)

REGISTERED NUMBER: 07652902

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The financial statements on pages 41 to 75 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A handwritten signature in cursive script, appearing to read 'L Ross', written over a dotted line.

L Ross

Chair of Trustees

Date: 1.12.22

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	2,476,080	1,219,675
Cash flows from investing activities	22	(548,745)	(577,263)
Change in cash and cash equivalents in the year		1,927,335	642,412
Cash and cash equivalents at the beginning of the year		2,267,990	1,625,578
Cash and cash equivalents at the end of the year	23, 24	<u>4,195,325</u>	<u>2,267,990</u>

The notes on pages 46 to 75 form part of these financial statements

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

1. General information

The South Farnham Educational Trust is an exempt charity and a company limited by guarantee (company number 07652902). It is incorporated and domiciled in the UK. The address of the registered office is South Farnham School, Menin Way, Farnham, Surrey, GU9 8DY.

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

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

South Farnham Educational Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

- **Grants**

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

- **Sponsorship income**

Sponsorship income provided to the academy 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 receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 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 allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	- Over 125 years on cost or over remaining useful life
Leasehold buildings	- Over 50 years on cost or over remaining useful life
Furniture and equipment	- 20% - 33% on cost
Building improvements	- 10% on cost

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.

2.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Taxation

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

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.12 Pensions

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

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

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

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

2.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	356,257	-	13,265	369,522	189,432
Capital grants	-	-	305,411	305,411	156,497
Transfer of existing academy	685,069	(930,000)	4,444,165	4,199,234	-
Transfer from local authority on conversion	254,011	(179,000)	5,716,156	5,791,167	-
Total 2022	<u>1,295,337</u>	<u>(1,109,000)</u>	<u>10,478,997</u>	<u>10,665,334</u>	<u>345,929</u>
Total 2021	<u>168,532</u>	<u>-</u>	<u>177,397</u>	<u>345,929</u>	

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

5. Funding for the academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,663,970	8,663,970	6,305,277
Other DfE/ESFA grants				
Other DfE/ESFA grants	-	271,111	271,111	422,326
Pupil Premium	-	224,285	224,285	165,816
UIFSM	-	352,151	352,151	249,196
	-	9,511,517	9,511,517	7,142,615
Other Government grants				
Local authority grants	-	623,011	623,011	371,632
	-	623,011	623,011	371,632
Other income from the academy's educational operations	244,322	-	244,322	138,842
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	129,519
Other DfE/ESFA COVID-19 funding	-	-	-	18,900
	-	-	-	148,419
	244,322	10,134,528	10,378,850	7,801,508
Teaching schools				
DfE/ESFA grants	-	1,240,978	1,240,978	1,282,284
Other Government grants	-	172,536	172,536	224,284
Other income	-	495,008	495,008	203,770
	-	1,908,522	1,908,522	1,710,338
	244,322	12,043,050	12,287,372	9,511,846
Total 2021	138,843	9,373,004	9,511,847	

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings and other income from charitable activities	1,047,420	1,047,420	316,707
	<u>1,047,420</u>	<u>1,047,420</u>	
Total 2021	<u>316,707</u>	<u>316,707</u>	

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	514	514	47
	<u>514</u>	<u>514</u>	
Total 2021	<u>47</u>	<u>47</u>	

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations:					
Direct costs	7,867,430	-	1,086,651	8,954,081	5,755,655
Allocated support costs	986,868	599,533	1,734,653	3,321,054	2,979,956
Teaching school	699,396	-	1,025,019	1,724,415	1,673,449
	<u>9,553,694</u>	<u>599,533</u>	<u>3,846,323</u>	<u>13,999,550</u>	<u>10,409,060</u>
Total 2022	<u>9,553,694</u>	<u>599,533</u>	<u>3,846,323</u>	<u>13,999,550</u>	<u>10,409,060</u>
	<u>9,553,694</u>	<u>599,533</u>	<u>3,846,323</u>	<u>13,999,550</u>	
Total 2021	<u>7,188,068</u>	<u>495,941</u>	<u>2,725,051</u>	<u>10,409,060</u>	

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	8,954,081	3,321,054	12,275,135	8,735,611
	<u>8,954,081</u>	<u>3,321,054</u>	<u>12,275,135</u>	
Total 2021	5,755,655	2,979,956	8,735,611	
	<u>5,755,655</u>	<u>2,979,956</u>	<u>8,735,611</u>	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	986,868	1,133,784
Recruitment and support	100,721	61,195
Depreciation	1,063,044	907,541
Technology costs	245,044	146,845
Premises costs	599,533	495,942
Other support costs	212,475	180,242
Governance costs	113,369	54,407
	<u>3,321,054</u>	<u>2,979,956</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	1,063,044	907,541
Fees paid to auditors for:		
- audit	12,700	8,300
- other services	2,620	1,670
- re existing academy transferred into the Trust	11,686	-
	<u>11,686</u>	<u>-</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	6,549,308	5,150,463
Social security costs	614,007	470,409
Pension costs	2,390,379	1,567,196
	<u>9,553,694</u>	<u>7,188,068</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	91	86
Administration and Support	170	128
Management	21	14
	<u>282</u>	<u>228</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

11. Staff (continued)

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
In the band £180,001 - £190,000	-	1
In the band £190,001 - £200,000	1	-

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £955,951 (2021: £863,185).

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

12. Central services

The academy has provided the following central services to its academies during the year:

- Strategic leadership support
- Educational support
- Finance and administration services
- HR support
- ICT support service

The academy charges for these services on the following basis:

The trust funded the provision of these central services this year by charging each academy a central services fee set at 6% of GAG funding and by making a charge to the SCITT and Teaching School Hub. New schools joining the Trust during the year had differing rates agreed for the period to 31st August 2022. This percentage will be reviewed on an annual basis.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
South Farnham School (including Teaching School Hub)	232,198	162,593
Highfield South Farnham	113,503	78,228
The Raleigh School	109,349	81,375
SCITT	69,218	45,254
Wallace Fields Infant School & Nursery	-	-
Busbridge Infant School	20,152	-
Great Bookham School	6,319	-
Total	550,739	367,450

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

13. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Sir A Carter	Remuneration	195,000 - 200,000	180,000 - 185,000

During the year ended 31 August 2022, expenses totalling £3,103 were reimbursed or paid directly to 1 Trustee (2021 - £2,029 to 1 Trustee). The CEO is the only staff trustee and he receives expenses only in respect of his CEO contract.

14. Trustees' and Officers' insurance

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

15. Tangible fixed assets

	Freehold property £	Land & Buildings £	Assets under construction £	Furniture & equipment £	Total £
Cost or valuation					
At 1 September 2021	-	23,911,736	152,612	892,488	24,956,836
Additions	-	589,578	141,464	129,166	860,208
Academy transfer	-	4,412,147	-	105,632	4,517,779
Acquired on conversion	1,700,000	3,990,000	-	155,381	5,845,381
Disposals	-	-	-	(9,054)	(9,054)
Transfers between classes	-	152,612	(152,612)	-	-
At 31 August 2022	<u>1,700,000</u>	<u>33,056,073</u>	<u>141,464</u>	<u>1,273,613</u>	<u>36,171,150</u>
Depreciation					
At 1 September 2021	-	4,929,353	-	629,861	5,559,214
Charge for the year	11,667	870,361	-	181,016	1,063,044
On disposals	-	-	-	(3,516)	(3,516)
At 31 August 2022	<u>11,667</u>	<u>5,799,714</u>	<u>-</u>	<u>807,361</u>	<u>6,618,742</u>
Net book value					
At 31 August 2022	<u>1,688,333</u>	<u>27,256,359</u>	<u>141,464</u>	<u>466,252</u>	<u>29,552,408</u>
At 31 August 2021	<u>-</u>	<u>18,982,383</u>	<u>152,612</u>	<u>262,627</u>	<u>19,397,622</u>

The land and buildings occupied by the Academy Trust are held under a 125 year lease. The freehold property is owned by Surrey County Council.

16. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>17,020</u>	<u>4,365</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

17. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	62,448	34,751
Other debtors	455,600	85,449
Prepayments and accrued income	556,797	193,769
	<u>1,074,845</u>	<u>313,969</u>

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	274,527	284,386
Other taxation and social security	169,150	113,906
Other creditors	242,941	158,107
Accruals and deferred income	862,228	370,885
	<u>1,548,846</u>	<u>927,284</u>

	2022 £	2021 £
Deferred income at 1 September 2021	179,867	143,473
Resources deferred during the year	365,455	179,867
Amounts released from previous periods	(179,867)	(143,473)
	<u>365,455</u>	<u>179,867</u>

At 31 August 2022 South Farnham Educational Trust were holding funds received in advance for the 2022/23 financial year, including Universal Infant Free School Meals grants and Teaching School grants that relate to 2022/23.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Designated fund	-	-	-	1,100,000	-	1,100,000
General funds						
Unrestricted funds	1,193,027	2,587,593	(487,362)	(1,517,863)	-	1,775,395
Total Unrestricted funds	1,193,027	2,587,593	(487,362)	(417,863)	-	2,875,395
Restricted general funds						
DfE/ESFA grants	360,102	9,511,517	(8,977,717)	(274,571)	-	619,331
Local authority	-	623,011	(623,011)	-	-	-
SCITT	36,889	1,453,132	(1,304,317)	-	-	185,704
Teaching schools	-	455,390	(420,099)	-	-	35,291
Pension reserve	(4,669,000)	(1,109,000)	(1,124,000)	-	5,440,000	(1,462,000)
	(4,272,009)	10,934,050	(12,449,144)	(274,571)	5,440,000	(621,674)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Assets on conversion	19,397,622	10,134,166	(1,063,044)	1,083,663	-	29,552,407
DFC	11,609	68,861	-	(57,846)	-	22,624
CIF	57,413	202,443	-	(259,856)	-	-
DfE	-	73,527	-	(73,527)	-	-
	<u>19,466,644</u>	<u>10,478,997</u>	<u>(1,063,044)</u>	<u>692,434</u>	<u>-</u>	<u>29,575,031</u>
Total Restricted funds	<u>15,194,635</u>	<u>21,413,047</u>	<u>(13,512,188)</u>	<u>417,863</u>	<u>5,440,000</u>	<u>28,953,357</u>
Total funds	<u>16,387,662</u>	<u>24,000,640</u>	<u>(13,999,550)</u>	<u>-</u>	<u>5,440,000</u>	<u>31,828,752</u>

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

Restricted General Funds - ESFA grants (including GAG), which must be used to meet the cost of running South Farnham Educational Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Unrestricted Funds - represents income generated by the academy (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Designated Funds - represents amounts designated by Trustees towards capital and repairs and maintenance projects.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised. The pension liability has not crystallised and the trustees do not need to designate any of their existing funds to meet future pension commitments. Parliament, at the request of the Secretary of State for Education, has guaranteed that in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	830,595	624,128	(138,598)	(123,098)	-	1,193,027
Teaching schools	-	127,710	(131,707)	3,997	-	-
	<u>830,595</u>	<u>751,838</u>	<u>(270,305)</u>	<u>(119,101)</u>	<u>-</u>	<u>1,193,027</u>
Restricted general funds						
DfE/ESFA grants	339,242	7,291,034	(6,767,840)	(502,334)	-	360,102
Local authority	-	371,632	(371,632)	-	-	-
SCITT	-	1,582,628	(1,541,742)	(3,997)	-	36,889
Pension reserve	(3,509,000)	-	(550,000)	-	(610,000)	(4,669,000)
	<u>(3,169,758)</u>	<u>9,245,294</u>	<u>(9,231,214)</u>	<u>(506,331)</u>	<u>(610,000)</u>	<u>(4,272,009)</u>
Restricted fixed asset funds						
Assets on conversion	19,571,356	-	(907,541)	733,807	-	19,397,622
DFC	-	30,189	-	(18,580)	-	11,609
CIF	-	126,308	-	(68,895)	-	57,413
DfE	-	20,900	-	(20,900)	-	-
	<u>19,571,356</u>	<u>177,397</u>	<u>(907,541)</u>	<u>625,432</u>	<u>-</u>	<u>19,466,644</u>
Total Restricted funds	<u>16,401,598</u>	<u>9,422,691</u>	<u>(10,138,755)</u>	<u>119,101</u>	<u>(610,000)</u>	<u>15,194,635</u>
Total funds	<u><u>17,232,193</u></u>	<u><u>10,174,529</u></u>	<u><u>(10,409,060)</u></u>	<u><u>-</u></u>	<u><u>(610,000)</u></u>	<u><u>16,387,662</u></u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
South Farnham School	1,887,342	1,165,669
Highfield South Farnham	326,742	300,601
The Raleigh School	7,520	5,041
Central	399,714	81,818
SCITT	185,704	36,889
Wallace Fields Infant School & Nursery	800,078	-
Busbridge Infant School	65,412	-
Great Bookham School	43,209	-
Total before fixed asset funds and pension reserve	3,715,721	1,590,018
Restricted fixed asset fund	29,575,031	19,466,644
Pension reserve	(1,462,000)	(4,669,000)
Total	31,828,752	16,387,662

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
South Farnham School	2,903,501	252,481	385,234	388,251	3,929,467	3,751,853
Highfield South Farnham	1,536,004	190,086	146,988	192,971	2,066,049	1,950,541
The Raleigh School	1,445,782	171,735	256,807	213,964	2,088,288	1,991,383
Central services	133,814	192,526	3,580	329,026	658,946	362,602
Teaching school and SCITT	579,464	119,932	-	1,025,018	1,724,414	1,445,142
Wallace Fields Infant School & Nursery	1,387,338	110,312	118,800	166,706	1,783,156	-
Busbridge Infant School	319,618	42,007	45,778	70,873	478,276	-
Great Bookham School	141,373	27,721	11,723	27,092	207,909	-
	<u>8,446,894</u>	<u>1,106,800</u>	<u>968,910</u>	<u>2,413,901</u>	<u>12,936,505</u>	<u>9,501,521</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	29,552,408	29,552,408
Current assets	2,875,395	2,389,172	22,623	5,287,190
Creditors due within one year	-	(1,548,846)	-	(1,548,846)
Provisions for liabilities and charges	-	(1,462,000)	-	(1,462,000)
Total	<u>2,875,395</u>	<u>(621,674)</u>	<u>29,575,031</u>	<u>31,828,752</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	19,397,622	19,397,622
Current assets	1,770,337	746,965	69,022	2,586,324
Creditors due within one year	(577,310)	(349,974)	-	(927,284)
Provisions for liabilities and charges	-	(4,669,000)	-	(4,669,000)
Total	1,193,027	(4,272,009)	19,466,644	16,387,662

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of financial activities)	10,001,090	(234,531)
Adjustments for:		
Depreciation	1,063,044	907,541
Capital grants from DfE and other capital income	(305,411)	(156,497)
Defined benefit pension scheme obligation inherited	1,109,000	-
Defined benefit pension scheme cost less contributions payable	1,019,000	486,000
Defined benefit pension scheme finance cost	105,000	64,000
Decrease/(increase) in stocks	(12,655)	2,533
Increase in debtors	(760,876)	(47,826)
Increase/(decrease) in creditors	621,562	198,502
Dividends, interest and rents from investments	(514)	(47)
Tangible assets acquired on conversion	(10,363,160)	-
Net cash provided by operating activities	2,476,080	1,219,675

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	514	47
Purchase of tangible fixed assets	(860,208)	(733,807)
Proceeds from the sale of tangible fixed assets	5,538	-
Capital grants from DfE Group	305,411	156,497
Net cash used in investing activities	(548,745)	(577,263)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	4,195,325	2,267,990
Total cash and cash equivalents	4,195,325	2,267,990

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,267,990	1,927,335	4,195,325
	2,267,990	1,927,335	4,195,325

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

25. Conversion to an academy trust

On 1 April 2022 Busbridge Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to South Farnham Educational Trust from Surrey County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,700,000	1,700,000
Current assets				
Cash - representing budget surplus on LA funds	138,538	-	3,843	142,381
Pension liability on conversion	-	(90,000)	-	(90,000)
Net assets/(liabilities)	<u>138,538</u>	<u>(90,000)</u>	<u>1,703,843</u>	<u>1,752,381</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

25. Conversion to an academy trust (continued)

On 30 June 2022 The Dawnay School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to South Farnham Educational Trust from Surrey County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Freehold land and buildings	-	3,990,000	3,990,000
Current assets			
Cash - representing budget surplus on LA funds	116,510	22,313	138,823
Net assets	<u>116,510</u>	<u>4,012,313</u>	<u>4,128,823</u>

26. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements	<u>116,925</u>	<u>296,568</u>

27. Pension commitments

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

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

Contributions amounting to £179,353 were payable to the schemes at 31 August 2022 (2021 - £123,279) and are included within creditors.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £921,378 (2021 - £759,744).

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

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £576,000 (2021 - £432,000), of which employer's contributions totalled £443,000 (2021 - £324,000) and employees' contributions totalled £ 133,000 (2021 - £108,000). The agreed contribution rates for future years are 17.2% for employers and 5.5-12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.80
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90

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

	2022	2021
	Years	Years
Retiring today		
Males	22.1	22.3
Females	24.5	24.7
Retiring in 20 years		
Males	23.1	23.4
Females	26.2	26.4

Share of scheme assets

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	5,209,800	3,840,000
Bonds	959,700	819,200
Property	548,400	358,400
Cash	137,100	102,400
Total market value of assets	6,855,000	5,120,000

The actual return on scheme assets was £(406,000) (2021 - £839,000).

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

	2022 £	2021 £
Current service cost	(1,462,000)	(810,000)
Interest income	108,000	68,000
Interest cost	(213,000)	(132,000)
Total amount recognised in the Statement of Financial Activities	(1,567,000)	(874,000)

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

	2022 £	2021 £
At 1 September	9,789,000	7,343,000
Conversion of academy trusts	967,000	-
Transferred in on existing academies joining the trust	1,660,000	-
Current service cost	1,462,000	810,000
Interest cost	213,000	132,000
Employee contributions	133,000	108,000
Actuarial (gains)/losses	(5,846,000)	1,449,000
Benefits paid	(61,000)	(53,000)
At 31 August	8,317,000	9,789,000

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	5,120,000	3,834,000
Conversion of academy trusts	788,000	-
Transferred in on existing academies joining the trust	730,000	-
Expected return on assets	108,000	68,000
Actuarial (losses)/gains	(406,000)	839,000
Employer contributions	443,000	324,000
Employee contributions	133,000	108,000
Benefits paid	(61,000)	(53,000)
At 31 August	6,855,000	5,120,000

28. Operating lease commitments

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

	2022 £	2021 £
Amounts payable:		
Within 1 year	3,099	-
Later than 1 year and not later than 2 years	379	-
	3,478	-

29. Members' liability

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

30. Related party transactions

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

The following related party transactions took place in the period of account:

South Farnham School Services Limited, a company in which Sir Andrew Carter is a director, were charged £85,689 (2021: £67,168) by the academy for salary costs and consumables in respect of services performed by the academy.

S Shoveller, a trustee of South Farnham Educational Trust was paid £3,950 (2021: £2,900) for consultancy work.

South Farnham School Trust (SFST), which has three trustees in common with the South Farnham Educational Trust (SFET) donated £210,902 (2021: £83,062) to SFET which has been used £185,902 (2021: £6,062) towards the costs of school trips, and £25,000 towards two videowalls for the new library (2021: £75,000 towards ICT equipment, a videowall, the infant play street and the new junior library). SFET also received £2,000 (2021: £2,000) in respect of administration services.

31. Transfer of existing academies into the academy

Wallace Fields Infant & Nursery

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Land and buildings	4,412,147	4,412,147
Furniture and equipment	4,327	4,327
Computer equipment	27,691	27,691
Current assets		
Debtors due within one year	127,957	127,957
Cash at bank and in hand	911,909	911,909
Liabilities		
Creditors due within one year	(354,797)	(354,797)
Pensions		
Pensions - pension scheme assets	730,000	730,000
Pensions - pension scheme liabilities	(1,660,000)	(1,660,000)
Net assets	<u>4,199,234</u>	<u>4,199,234</u>