

REGISTERED COMPANY NUMBER: 07806338 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2021
FOR
LICKHILL PRIMARY SCHOOL**

Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG



LICKHILL PRIMARY SCHOOL

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LICKHILL PRIMARY SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2021

MEMBERS:

TRUSTEES

J Lloyd
B Bevan (resigned 31/12/20)
A McKay FCCA
V Campbell
R Williams (resigned 8/5/21)
J Morse
K L Rodriguez
F A Perks
A Tyler (appointed 15/10/20)
S Bromell (appointed 9/12/20) (resigned 21/6/21)
L Minor (appointed 21/6/21)
C Crowther (appointed 1/11/21)

SENIOR MANAGEMENT TEAM

J Lloyd - Headteacher - Accounting Officer

K Rodriguez - Assistant Head

K Jones - Assistant Head

All trustees were members of the academy trust during the year.

REGISTERED OFFICE

Almond Way
Stourport on Severn
Worcestershire
DY13 8UA

**REGISTERED COMPANY
NUMBER**

07806338 (England and Wales)

AUDITORS

Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

SOLICITORS

Stone King
16 St John's Lane
London
EC1M 4BS

BANKERS

Lloyds Bank Plc
1 Vicar Street
Kidderminster
DY10 1DH

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31st August 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the academy trust is the operation of the Lickhill Primary School to provide education for pupils of different abilities up to the age of 11 and also the provision of nursery and pre and post school care.

The principal objectives of the academy trust are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To raise the standard of educational achievement of all pupils.
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review.
- To comply with the appropriate statutory and curriculum requirements.
- To make the academy a valued community resource.
- To close the achievement gap for disadvantaged pupils and those adversely effected by COVID 19 and subsequent lockdowns.
- To ensure pupils are well prepared for the next phase of education academically, socially and emotionally.

Public benefit

In setting our objectives and planning our activities the trustees' have given careful consideration to the Charity Commission's general guidance on public benefit.

The primary purpose of the academy trust is the advancement of education within the local area.

The academy trust runs an extended day, offering a safe place for pupils while parents are working. The academy trust operates both pre and post school care and also runs a holiday club which is available to the local community and is not exclusive to children attending the academy. An onsite pre-school is also operated by the academy trust welcoming children from a wider area.

The academy trust has given a high priority to providing public benefit to a cross section of the community regardless of family background, but perhaps the greatest benefit the academy trust can offer is the provision of an education that maximises each student's potential.

FUNDRAISING

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Lickhill Primary School was judged Requires Improvement overall in Feb 2019. It was Good in Early Years provision, Behaviour and Attitudes and Personal Development. The areas for improvement centred on changes to the Ofsted framework and curriculum development with leaders new to posts and the development had begun, but had not yet had time to embed.

Soon after Ofsted, the country went into lockdown due to the Covid 19 outbreak and staff worked hard to develop their curriculum areas and CPD to improve standards widely in reading, writing and foundation subject progressions.

Since then, the school has invested in key subject leader training, governor training and development of an improved curriculum offer which has a stronger progression of knowledge and links which support the children's cumulative learning, while also focusing on its cultural capital. Partnerships from research schools and trusts have led to this curriculum improvement in all areas from implementation to impact and match perfectly with Lickhill's intent. Learning and enthusiasm for learning has rocketed and both staff and pupils have a new energy and commitment to improvement in all aspects of school life.

The finances had been carefully looked at in September to ensure resourcing these new areas of curriculum had a 3 year plan. Priority this year was given to maths, music, RE, PSHE and Computing. The spending was carefully maximised to give the best value for money and these subjects have been injected with suitable resources to meet the curriculum demands. There is now adequate musical instruments to teach the music curriculum in all year groups and Maths Mastery approaches are now in the second year, with our maths lead developing new cohorts to lead mastery both within Lickhill and beyond. This is a DfE initiative which has had a very positive impact on the pedagogy and approaches to teaching maths.

Closing the gap for the most disadvantaged continues to be crucial work and continued to be a priority throughout lockdown with work physically dropped off at houses, safe and well calls made weekly and more often where necessary. Many more vulnerable families were offered places in the second lockdown in January and all children with an EHCP were more willing to access support. This resulted in a more positive lockdown for all families. They had some face-to-face work and some online support. The online expectations were higher and staff worked hard to support all their children throughout, hearing them read virtually and giving them the incentives they required to keep going.

This resulted in better outcomes overall than expected. Reading was maintained well and by focussing on the key maths skills on their return, maths was only slightly impacted by the end of the year. Writing took the greatest hit, as this area is difficult to maintain and overall, writing is now the area where much additional support is required.

All classes took end of year assessments and 2019 papers were executed in Yr 2 and Yr 6 - data was sent to county for analysis. Lickhill bucked the trend in Worcestershire with their reading results and our Y6 pupils were able to transition to high school knowing that their academic achievements were High School ready.

	Reading			Writing			Maths		
	Below	ARE	GD	Below	ARE	GD	Below	ARE	GD
KS1	18.5%	63%	18.5%	59%	37%	4%	18.5%	55.5%	26%
			81.5%			41%			81.5%
	Below	ARE	GD	Below	ARE	GD	Below	ARE	GD
KS2	6%	55%	39%	10%	51%	39%	19%	58%	23%
			94%			90%			81%

Key performance indicators

The trustees review regular assessments of the performance of the academy. Due to the virus, no national data was collected again for 2020-2021, however local authority did collect data which was analysed. The above data was analysed and in KS2 reading, Lickhill flipped the national and local statistics dramatically. Also in Reception, end data reflected that social /emotional was the strongest locally due to time spent on emotional readiness and social skills post COVID lockdowns. In-year data also reflected reading maintained and maths below normal years but the focus on arithmetic catch-up ensured a solid base was maintained and far higher than September base-line data. Covid has affected the writing standards which are a key focus across school next year. November's phonic screening was highly successful with only 1 child not achieving. Next year's phonic screening will again be assessed in November 2021.

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

FINANCIAL REVIEW

Financial Review

The academy trust's main source of income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding. This funding is restricted to particular purpose. Total grants received from the DfE during the period ending August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

A risk management strategy has been developed together with a risk register. This continues to be reviewed and is monitored by the governing body. The trust have reviewed the risk register with regard to Covid 19, and recognised the increased risk in financial and organisation.

During the year ended 31 August 2021, total income received was £1,147,169 (excluding capital) with total expenditure of £1,260,145 (excluding capital) of which 82% are staff costs.

The deficit of expenditure over income for the year was £112,976 (2020 - £34,346) excluding restricted fixed asset funds and actuarial losses on defined benefit pension funds.

The Local Government Pension Scheme liability increased from £813,000 to £1,052,000 during the year ending 31 August 2021. This is detailed in the notes to the accounts.

The finance committee have appointed SBS School Business Services to give advice on financial and other matters and perform internal scrutiny. Where SBS School Business Services has made recommendations, the governing body, together with the business manager, has endeavoured to implement any changes necessary.

Pupils numbers remain high and Reception class was oversubscribed for intake September 2020 and 2021. Increased pupil numbers have resulted in increased Grant income although funding per child has decreased significantly over recent years. This has placed a significant strain on cash flow and resources. The school operates Pre School and Stay & Play wrap around care. These are non-profit making organisations and any surplus is reinvested in the Academy for the benefit of the pupils.

The trust continues to share expertise and support to a wider network of education settings generating income to reinvest back into education resources. Much of this support is now carried out remotely. The business manager has supported a secondary academy trust both remotely and in person. The trust also provided teacher training placements during the year. Further support has been shared by the assistant head who is a Primary Mastery Specialist.

The year to August 2019 was a difficult year in terms of managing the budget. The effects of the management restructure in Spring 2019 and careful monitoring of the cashflow and budget during the year ending August 2020 returned the trust to a more stable financial position to move forward into the new financial year. The trust has continued to manage the financial challenges effectively and remains financially stable even though there was an in year deficit. Following an Ofsted inspection in February 2020, the need for investment in resources across the curriculum was highlighted. The trust has invested in new maths schemes - Deepening understanding of Maths, Number Stacks and White Rose - and English schemes - Jane Considine and Cracking Comprehension. This investment helps support the gaps in children's learning following Covid as well as ensuring the school meets Ofsted requirements.

The impact of Covid 19 on the school's ability to raise unrestricted funds has not been insignificant. Wrap around care has been provided with restricted numbers for part of the year, only running at full capacity in the Summer term. However, despite the restrictions, income has returned to near pre Covid levels. Although the pre school provision remained open during the second lockdown, many parents chose not to send children. Income from the Local Authority was unaffected, however children on roll was lower than normal.

Covid has also reduced how many fund-raising activities could be held, including annual PTA events. A summer fayre was held by the PTA with restriction. There was also a Christmas fundraising event. Both events helped to boost the PTA fundraising effort and donations will be made in the future towards school projects.

The trust did not furlough any staff during the period. All staff were paid in full including all pension contributions. Although the trust received full government funding during the period, some wages were paid from unrestricted funds that were not protected.

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

Financial review (continued)

The trust has spent considerable time and funds on making the school site Covid safe. New routines have been put in place to help ensure the safety of staff, pupils and visitors to the school. The trust participated in the national free school meals voucher scheme. There were no financial implications for the trust as a result of this scheme. The trust has maintained all levels of internal control, financial management and internal scrutiny throughout the period and continue to do so going forward. The governing body has continued to meet remotely and regularly through this period. The trust was not eligible for any funding contribution towards any additional costs incurred due to Covid.

The trust was eligible for £16,240 of Covid Catch Up funding. The funding was managed carefully to give maximum impact. A Thrive (emotional wellbeing and mental health) approach by a thrive trained teacher and TA led interventions and worked with families. A trained teacher was employed in the Autumn term to deliver interventions to plug phonics gaps in Reception, years 1 & 2. Staff training to deliver maths and English interventions and TA led interventions showed progress against individual objectives. Whole class quality teaching resources were also purchased to support whole class teaching as well as additional targeted interventions.

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

FINANCIAL REVIEW

Reserves policy

The policy of the trustees is to maintain a level of reserves that will be adequate to provide a stable basis for the continuing operation of the academy trust whilst ensuring that excessive funds are not accumulated.

Excluding the pension scheme liability and capital funds, the academy trust's funds carried forward as at 31 August 2021 are a surplus of £72,440 (2020 - £100,417).

Fixed asset capital fund at 31 August 2021 was £1,891,911 (2020 - £1,995,384).

The academy trust also has a pension scheme deficit in respect of the Local Government Pension Scheme of £1,052,000 (2020 - £813,000). The liability is included in restricted reserves and the academy trust will have to meet any long term liability out of restricted reserves. In order to repay the deficit employer contributions will be 18.4% (2020 18.4%). This deficit is considered a long term deficit and not an immediate liability.

The trustees recognise that the academy trust has had a difficult and challenging period recovering the deficit and returning to a balanced budget. The Governing Body is mindful of the trust's vulnerability as a standalone academy. Budgets have been prepared for academic years 2021/22, 2022/23 and 2023/24. Continuing to be able to manage a balanced budget is dependent on future government funding and maintaining pupil numbers.

Investment Policy

The academy trust's policy is to invest surplus funds in low risk short term bank deposits.

Plans for the Future Periods

The trustees continue to promote the academy within the local community.

The academy trust continues to apply for other grants to improve the academy facilities and learning resources and environment.

The academy trust continues to strive to offer the highest educational opportunities for all children as well as providing professional development for all teaching and support staff. The academy trust will carefully manage the Covid catch up fund to enable children to return to a safe learning environment and reach their potential despite their learning gaps.

Covid Recovery and School led tutoring funds available in 2021/22 will be used to continue to focus on emotional wellbeing/mental health, phonics, English and Maths. Interventions will be led by trained teachers and Ta's.

Emotional wellbeing will be supported by a Thrive trained teacher and lead TA. School led tutoring will be delivered by trained teachers.

The trust will continue to provide wrap around care for the wider community.

The business manager will be seconded to a local Primary School Academy as a finance lead during the year 2021/22.

The trustees are exploring opportunities with other local trusts.

Principal risks and uncertainties

Financial - The academy trust relies on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same, or that funding will not be reduced. The academy trust receives income from its pre-school and wrap around care facilities. The academy trust helps to support other like-minded organisations through the secondment of staff, consultation and training activities.

Cash Flow - The academy trust closely monitors cash flow to ensure that payment is made to creditors and the payroll can be met.

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

FINANCIAL REVIEW

Falling pupil numbers - the number of children attending the academy has risen steadily over recent years to its current level. The academy continues to have a full PAN admission into Reception class and limited spaces available in upper KS2. The academy does not anticipate falling numbers in the foreseeable future.

Failure in governance and/or management - trustees and management effectively manage the academy trust's financial internal controls, compliance with regulations and legislation and statutory returns. The trustees continue to review and ensure that appropriate measures are in place to minimise these risks.

The academy trust have reviewed the risk register with regard to Covid 19, and recognised the increased risk in financial and organisation. The unrestricted fund is impacted the most by the inability to fully open the wraparound care facility.

Going concern

The board of trustees has made appropriate enquires and has a reasonable expectation that the academy trust had adequate resources to continue in operational existence for the foreseeable future.

The academy will carefully manage any Covid grants available to enable children to return to a safe learning environment and reach their potential despite their learning gaps.

The academy trust will continue to provide wrap around care for the wider community, although during the continued Covid crisis income from wrap around care will remain uncertain.

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 to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

The governors act as trustees of Lickhill Primary School Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lickhill Primary School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administration Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 as stated in academy trust's funding agreement/memorandum and articles of association for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2021 is incorporated within the total insurance premium.

Recruitment and appointment of new trustees

Trustees are recruited from the employees of the academy, parents (by election) and community governors.

LICKHILL PRIMARY SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The management structure of the academy trust consists of the trustees and the leadership team.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by use of budgets and making major decisions about the strategic direction of the academy trust, capital expenditure and the most senior staff appointments.

The leadership team is led by the head teacher, Jane Lloyd. These senior leaders manage the academy trust at an executive level, implementing the policies agreed by the trustees and reporting back to them on progress. The headteacher and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The salaries of the head teacher, and assistant head teachers are reviewed annually as required by the School Teachers' Pay and Conditions Document.

The head teacher's Pay Range, which the governing body is required to set for head teachers by the School Teachers' Pay and Conditions Document reflects the responsibilities of the job in addition to the size of the school, any other factors specified and advice issued by the Local Authority on the salaries of head teacher at comparable size schools.

The governing body will determine the pay ranges of the assistant head teachers in relation to the duties and responsibilities of those teachers.

Policies and Procedures Adopted for the induction and training of trustees

The academy trust carries out appropriate training for new trustees, including online induction training.

All trustees have taken part in online Safeguarding and Prevent training.

Related parties

The academy trust also has a subsidiary company, Lickhill Consultancy Limited, whose principal activity is to provide training to schools and academies. Lickhill Consultancy Limited ceased trading 31 August 2021.

Please refer to note 22 with respect to related party transactions.

Lickhill Primary School is a strategic partner in the Stourport Teaching School Alliance and has provided training opportunities and placements for student teachers from other local teacher training providers. The impact of Covid 19 has restricted the trusts income for this. There have also been fewer opportunities to raise income through this income stream.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Worton Rock Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15th December 2021 and signed on its behalf by:



V Campbell - Trustee

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

Scope of Responsibility

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

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

The board of the trustees has delegated the day-to-day responsibility to the Head, 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 Lickhill Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Trustees' Responsibilities Statement. 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
V Campbell	5	6
B Bevan (resigned 31/12/20)	2	3
J Lloyd	6	6
K L Rodriguez	6	6
R Williams (resigned 8/5/21)	4	4
A McKay FCCA	6	6
J Morse	4	6
A Tyler (appointed 15/10/20)	4	4
S Bromell (appointed 9/12/20) (resigned 21/6/21)	2	3
L Minor (appointed 21/6/21)	1	1

F Perks attended 5 out of a possible 6 meetings.

Committees apart from the finance and general purposes committee are incorporated into the main board of trustees. Each trustee has a specific area of responsibility and reports back to the main board on these matters.

The finance committee oversees all financial aspects of the academy trust and meets at least half termly to review the financial reports of the academy trust and deal with all issues of strategic management. All members of the governing body can attend these meetings from 8 October 2018.

The non-confidential minutes are published on the academy trust's website detailing the topics discussed and the attendees at such meetings.

Attendance at the finance and general purposes Committee was as follows:

Trustee	Meetings attended	Out of a possible
A McKay	4	4
F Perks	4	4
R Williams	3	3
J Lloyd	4	4
K Rodriguez	4	4
V Campbell	4	4
B Bevan	0	1
J Morse	4	4
A Tyler	4	4
L Minor	1	1

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

Governance reviews

The governing body have new governors this year, adding to the ever growing skill set of the trust. New trustees are given online induction training.

A skills audit was carried out at the start of the school year which highlighted required training. All trustees have taken part in online Safeguarding and Prevent training.

The governing body has continued to meet regularly throughout the year albeit remotely. Going forward, the trustees will meet in person, when it is safe to do so.

During this year, trustees have been allocated key roles and responsibilities and are working with staff to bring greater understanding and depth to the position of trustee. The chair has undertaken training and is actively encouraging other trustees to access resources. Trustees have been more actively involved in school, many undertaking learning walks and class observations.

Trustees continue to monitor the budget closely and have attended half termly finance meetings.

Review of Value for Money

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

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

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

Educational Results

In February 2020 Lickhill Primary School was inspected and judged to be requires improvement in areas of quality of education and leadership and management. The school was judged good in behaviours and attitudes, personal development and early years' provision. There is a clear plan to improve management at all levels including governors and middle leaders, and there has been a whole school curriculum improvement plan to meet the new Ofsted framework criteria for a broad and balanced curriculum.

There has been no moderation or official testing again this academic year due to the Covid pandemic, however the school was able to use 2019 tests for year 2 and year 6 and these results were sent to Worcestershire for analysis across all Worcestershire schools as a voluntary data collection. See data table above.

The trustees review regular assessments of the performance of the Academy. Due to the virus, no national data was collected for 2020-2021, however 2019 tests were used for a voluntary data collection which were sent to Worcestershire. Phonics screening will be done in Y2 during November 2021. 2020 November phonic screening was very successful after the first lockdown as catch-up funding was utilised initially to support children in retaining their phonic understanding in KS1. There was only 1 child who did not pass, giving a healthy 96.4% pass rate.

All classes have continued to complete termly NFER tests which highlighted the areas which had not been able to be taught that year due to lockdown. Writing is the area which has had a significant impact due to its complex nature.

This year additional difficulties have been apparent due to the National Lockdown in January. Teachers were stretched considerable doing online teaching as well as much face-to-face sessions for those vulnerable and key worker children. The impact also on staffing levels due to staff needing to home school their own children. Workload for all staff was problematic and needed addressing and reviewing regularly. 3 out of 4 of our EHCP children were in fulltime with 1:1 support which also required much prepping and planning.

Our Thrive provision continues and the training that the majority of staff have undergone has been essential in understanding the many different and complex situations surrounding mental health and well-being of both the staff as well as the pupils. The additional funds used to support the most vulnerable has been an asset.

We were able to provide DfE laptops to our most vulnerable families and those struggling with only device between several siblings. These were collected back after lockdown and remain available to Pupil Premium families when and if required.

The academy continues to work collaboratively with many organisations to share good practice. The academy remains a strategic partner in the Stourport High School teaching school and takes a leading role in the development of maths, phonics, art and emotional development in the school based initial teacher training. Our Maths lead began her training as a Teacher of maths mastery (DfE supported training over 3 years) and will start her work supporting other schools next year.

Financial Governance and Oversight

The year to August 2019 was a difficult year in terms of managing the budget. The effects of the management restructure in Spring 2019 and careful monitoring of the cashflow and budget during the year ending August 2020 returned the trust to a more stable financial position to move forward into the new financial year. The trust has continued to manage the financial challenges effectively and remains financially stable even though there was an in year deficit. Following an Ofsted inspection in February 2020, the need for investment in resources across the curriculum was highlighted. The trust has invested in new maths schemes - Deepening understanding of Maths, Number Stacks and White Rose - and English schemes - Jane Considine and Cracking Comprehension. This investment helps support the gaps in children's learning following Covid as well as ensuring the school meets Ofsted requirements.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

A risk management strategy has been developed together with a risk register. This continues to be reviewed and is monitored by the governing body. The trust have reviewed the risk register with regard to Covid, and recognised the increased risk in financial and organisation.

Better purchasing

The trust continues to review Service Level Agreements with Worcestershire Local Authority and other independent providers, renegotiating or changing provider when beneficial. This ensures the services provided are fit for purpose and cost effective as well as providing value for money.

The value of the cleaning contract of the academy has increased significantly during the period. Following the issue of procurement notices PPN02/02 and PPN04/20, the trustees agreed that the contract should not be put out to tender in order to ensure continuity of service and maintain job security. The contract will be put out to tender in the year 2020/21. Following the tender process, the governing body appointed Tenom Limited to provide cleaning services.

Better Income Generation

Additional income is gained through the management of Pre School and wrap around care provision. Demand for these services continues to grow, however the impact of Covid-19 has restricted the number of places we are able to offer resulting in a loss of income in the period. The 30 hours funding for pre-schoolers has continued to have a positive effect on pupil numbers and income. This provision is beneficial to the wider community as well as families within the school.

The trust continues to share expertise and support to a wider network of education settings generating income to reinvest back into education resources. Much of this support is now carried out remotely. The Business Manager has supported a secondary academy trust both remotely and in person. The trust also provided teacher training placements during the year. Further support has been shared by the assistant head who is a Primary Mastery Specialist.

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 Lickhill Primary School for the period 1st September 2020 to 31st August 2021 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 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the trustees have appointed SBS School Business Services to carry out a programme of internal checks.

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

- testing of payroll systems
- testing of purchase systems compliance
- testing of income systems and debtor controls
- testing of accounting system including bank reconciliations and control accounts.
- review of compliance in meeting financial report filing deadlines and governance issues.

On a yearly basis SBS School Business Services reports to the board of trustees through the finance and general purposes committee meetings on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The report outlines the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The reviewer has delivered to the board of trustee's their schedule of work as planned. The level of internal controls in place at the academy trust were deemed to be good and no material control issues were identified, however recommendations were made as follows:

Visit one and two

- Older debtors are recommended to be chased
- Receipts should normally be banked in a timely fashion, however it was recognised that in light of Covid-19 restrictions delays were understandable.
- It is recommended that petty cash is withdrawn, or if it is to continue, it is to be reconciled back to the Trial Balance monthly. In addition it is not recommended that cash is receipted to petty cash, and that all cash received should be regularly banked.
- It is recommended that as part of the month end procedures it is ensured that all purchase orders are fulfilled and that purchases entered on the system are matched with purchase orders.
- A two part bank authorisation procedure is recommended to be put in place, to safeguard all those involved in the payment process.
- It is recommended that a new supplier form is introduced and copies of new details filed with the form, to act as an audit trail for changes made.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2021

Review of Effectiveness

As accounting officer, the head 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

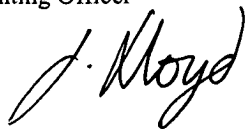
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15th December 2021 and signed on its behalf by:

V Campbell - Trustee

A handwritten signature in black ink, consisting of a large, stylized 'V' followed by a horizontal line extending to the right.

Jane Lloyd - Accounting Officer

A handwritten signature in black ink, appearing to read 'J. Lloyd' in a cursive style.

LICKHILL PRIMARY SCHOOL

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31ST AUGUST 2021**

As accounting officer of Lickhill Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and 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 2020.

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 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Non-financial issues

Expenditure individually in excess of £20,000 must be subject to formal tendering procedures and be authorised by the finance committee per the academy trust's finance policy. It was found that formal tendering procedures were not undertaken for one service contract in excess of £20,000, and the expenditure was not authorised by the finance committee. This failure of internal control however did not result in or give rise to a material loss or misappropriation of charitable funds, or lead to significant charitable funds being put at major risk.

Jane Lloyd - Accounting Officer

15th December 2021

A handwritten signature in black ink, appearing to read 'J. Lloyd', is written over the printed name.

LICKHILL PRIMARY SCHOOL

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2021

The trustees (who act as governors of Lickhill Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, 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" 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021; state whether
- make judgements and estimates that are reasonable and prudent;
state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 to 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 the 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 board of trustees on 15th December 2021 and signed on its behalf by:



V Campbell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LICKHILL PRIMARY SCHOOL

Opinion

We have audited the financial statements of Lickhill Primary School (the 'academy trust') for the year ended 31st August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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' and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trust'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LICKHILL PRIMARY SCHOOL

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

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

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

- : enquiry of management as to any knowledge of actual, suspected or alleged fraud
- : enquiry of management as to any actual or potential litigation
- : enquiry of management of any instances of non-compliance with laws and regulations
- : performing audit work over the risk of management override of controls
- : evaluating significant transactions outside the normal course of trade

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.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LICKHILL PRIMARY SCHOOL**

Use of our report

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



David Burrows (Senior Statutory Auditor)
for and on behalf of Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

15th December 2021

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lickhill Primary School during the period 1st September 2020 to 31st August 2021 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 Lickhill Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lickhill Primary School and the 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 Lickhill Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lickhill Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lickhill Primary School's funding agreement with the Secretary of State for Education dated 1st February 2012 and the Academies Financial Handbook, extant from 1st September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2020 to 31st August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

- Reviewing the internal control policies and procedures implemented by the academy trust and evaluating their design and effectiveness to understand how the academy trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the accounting officer, including reviewing the work undertaken by the accounting officer in relation to their statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the academy trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LICKHILL PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1:

Expenditure individually in excess of £20,000 must be subject to formal tendering procedures and be authorised by the finance committee per the academy trust's finance policy. It was found that formal tendering procedures were not undertaken for one service contract in excess of £20,000 in our test sample and the expenditure was not authorised by the finance committee. This failure of internal control however did not result in or give rise to a material loss or misappropriation of charitable funds, or lead to significant charitable funds being put at major risk.

Worton Rock Limited

Worton Rock Limited
Reporting Accountant
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

15th December 2021

LICKHILL PRIMARY SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2021**

				2021	2020
		Unrestricted	Restricted	Restricted	
	Notes	fund	funds	Fixed	
		£	£	Asset	
				Funds	
				£	
INCOME AND					
ENDOWMENTS FROM					
Donations and capital grants	2	-	277	10,798	11,075
Charitable activities					
Funding for the academy's educational operations	3	-	963,972	651	964,623
Other trading activities	4	153,169	29,734	-	182,903
Investment income	5	<u>4</u>	<u>13</u>	<u>6</u>	<u>23</u>
Total		153,173	993,996	11,455	1,158,624
EXPENDITURE ON					
Raising funds		145,382	-	-	145,382
Charitable activities					
Academy's educational operations		-	1,114,763	114,929	1,229,692
Total	6	<u>145,382</u>	<u>1,114,763</u>	<u>114,929</u>	<u>1,375,074</u>
NET					
INCOME/(EXPENDITURE)		7,791	(120,767)	(103,474)	(216,450)
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>(154,000)</u>	<u>-</u>	<u>(154,000)</u>
Net movement in funds		7,791	(274,767)	(103,474)	(370,450)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>44,780</u>	<u>(757,363)</u>	<u>1,995,384</u>	<u>1,282,801</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>52,571</u></u>	<u><u>(1,032,130)</u></u>	<u><u>1,891,910</u></u>	<u><u>1,282,801</u></u>

The notes form part of these financial statements

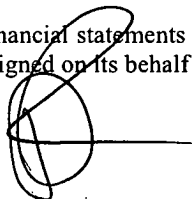
LICKHILL PRIMARY SCHOOL

**STATEMENT OF FINANCIAL POSITION
31ST AUGUST 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	1,863,646	1,957,518
Investments	13	<u>1</u>	<u>1</u>
		1,863,647	1,957,519
CURRENT ASSETS			
Stocks	14	2,740	4,352
Debtors	15	55,121	54,814
Cash at bank and in hand		<u>137,376</u>	<u>195,200</u>
		195,237	254,366
CREDITORS			
Amounts falling due within one year	16	<u>(94,533)</u>	<u>(116,084)</u>
NET CURRENT ASSETS		<u>100,704</u>	<u>138,282</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,964,351	2,095,801
PENSION LIABILITY	20	<u>(1,052,000)</u>	<u>(813,000)</u>
NET ASSETS		<u>912,351</u>	<u>1,282,801</u>
FUNDS	19		
Restricted funds:			
Restricted general funds		19,869	55,637
Restricted fixed asset funds		1,891,911	1,995,384
Pension reserve		<u>(1,052,000)</u>	<u>(813,000)</u>
		859,780	1,238,021
Unrestricted income fund		<u>52,571</u>	<u>44,780</u>
TOTAL FUNDS		<u>912,351</u>	<u>1,282,801</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15th December 2021 and were signed on its behalf by:



V Campbell - Trustee

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(43,701)</u>	<u>(23,463)</u>
Net cash used in operating activities		<u>(43,701)</u>	<u>(23,463)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,396)	(23,904)
Capital grants from DfE/EFA		6,250	39,715
Interest received		<u>23</u>	<u>89</u>
Net cash (used in)/provided by investing activities		<u>(14,123)</u>	<u>15,900</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(57,824)	(7,563)
Cash and cash equivalents at the beginning of the reporting period		<u>195,200</u>	<u>202,763</u>
Cash and cash equivalents at the end of the reporting period		<u><u>137,376</u></u>	<u><u>195,200</u></u>

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST AUGUST 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(216,450)	(104,404)
Adjustments for:		
Depreciation charges	114,268	118,840
Capital grants from DfE/ESFA	(6,250)	(39,715)
Interest received	(23)	(89)
Pension scheme finance costs	16,000	12,000
Decrease in stocks	1,612	147
(Increase)/decrease in debtors	(307)	14,912
Decrease in creditors	(21,551)	(97,154)
Difference between pension charge and cash contributions	<u>69,000</u>	<u>72,000</u>
Net cash used in operations	<u>(43,701)</u>	<u>(23,463)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/20 £	Cash flow £	At 31/8/21 £
Net cash			
Cash at bank and in hand	<u>195,200</u>	<u>(57,824)</u>	<u>137,376</u>
	<u>195,200</u>	<u>(57,824)</u>	<u>137,376</u>
Total	<u>195,200</u>	<u>(57,824)</u>	<u>137,376</u>

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES

Statement of accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 company 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.

The trustees believe that it is appropriate to prepare the financial statements on a going concern basis because of the following factors:

- £1,052,000 (2020 £813,000) of the academy trust's liabilities relate to the long term liability in respect of the Worcestershire County Council Pension Fund which should not need to be repaid fully in the short to medium term. The liability is included in restricted reserves and the academy trust will have to meet any long term liability out of restricted reserves. In order to repay the deficit employer contributions will be 18.4% (2020 - 18.4%). In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next three years at an average of £11,000 per annum. It is anticipated that the recovery period is fifteen years.

- the academy trust has net current assets of £100,704 (2020 - £138,282) equivalent to its working capital, which enables the payment of debts as they fall due; and

- the Department for Education has committed to funding the Academy in 2021/22.

Income

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

Grants

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

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

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES - continued

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Donated facilities and services provided to the academy trust are recognised at their value to the academy trust in the period when it is probable that the economic benefits associated with the donated items will flow to the, academy trust provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated fixed assets

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

Transfer on Conversion

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for nil consideration and has been accounted for under the acquisition method of accounting.

The assets and liabilities transferred on conversion from a state maintained school to an academy trust have been valued at fair value, at the date of conversion, being a reasonable estimate of current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Lickhill Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income (net income/net expenditure) in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The academy trust's land and buildings were included within the accounts on conversion on the basis of the valuation commissioned by the ESFA. The house on academy trust property was also included on the conversion at open market value based on a professional valuation. The academy trust has continued to hold land and buildings in the accounts at this value less any applicable depreciation.

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.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES - continued

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Freehold buildings	5 years/25 years
Fixtures and fittings	5 years
Computer equipment	5 years

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

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due from the academy trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to academy trust's wholly owned subsidiary are held at face value less any impairment.

Stocks

Stock represents unused classroom resources and are valued at the lower of cost and net realisable value.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES - continued

Taxation

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

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is a 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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 the interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Investments

The academy trust's shareholding in the wholly owned subsidiary, Lickhill Consultancy Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation, in the opinion of the trustees, exceeds the benefit derived.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2021. 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations	-	4,825	4,825	1,200
Grants	-	6,250	6,250	39,715
	-	11,075	11,075	40,915

Grants received, included in the above, are as follows:

	2021 £	2020 £
Academy main buildings grants	-	33,397
Other DfE/ESFA Grants	6,250	6,318
	6,250	39,715

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	803,201	803,201	783,746
Other DfE/ESFA Grants	-	51,021	51,021	33,448
Pupil premium	-	38,327	38,327	38,447
UFSM	-	23,342	23,342	24,472
Teachers pension grant	-	26,893	26,893	26,916
	-	942,784	942,784	907,029
Other Government grant				
Local authority grants	-	16,613	16,613	20,565
Other income from the academy trust's educational operations	-	5,226	5,226	24,677
	-	964,623	964,623	952,271

Following the reclassification in the Academies' Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals, Pupil Premium and Teachers pension grant is no longer reported under the Other DfE/ESFA Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Hire of facilities	-	29,734	29,734	16,180
Income from wrap around care	136,807	-	136,807	123,820
Miscellaneous income	16,362	-	16,362	7,767
	153,169	29,734	182,903	147,767

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Deposit account interest	4	19	23	89

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021**

6. EXPENDITURE

	Non-pay expenditure			2021	2020
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Direct costs	100,000	-	5,671	105,671	121,767
Allocated support costs	-	33,867	5,844	39,711	21,864
Charitable activities					
Academy's educational operations					
Direct costs	838,107	100,859	45,437	984,403	882,998
Allocated support costs	<u>96,402</u>	<u>74,166</u>	<u>74,721</u>	<u>245,289</u>	<u>218,817</u>
	<u>1,034,509</u>	<u>208,892</u>	<u>131,673</u>	<u>1,375,074</u>	<u>1,245,446</u>

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	114,268	118,840
Auditors' remuneration	8,500	8,500
Auditors' remuneration for non-audit work	1,310	1,250
Operating leases - other leases	<u>2,522</u>	<u>2,522</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Direct costs	-	984,403	984,403	882,998
Support costs	<u>-</u>	<u>245,289</u>	<u>245,289</u>	<u>218,817</u>
	<u>-</u>	<u>1,229,692</u>	<u>1,229,692</u>	<u>1,101,815</u>

	2021 Total £	2020 Total £
Analysis of support costs		
Support staff costs	96,402	85,567
Depreciation	4,938	7,341
Technology costs	3,578	3,705
Premises costs	74,166	55,617
Other support costs	52,232	54,344
Governance costs	<u>13,973</u>	<u>12,243</u>
Total support costs	<u>245,289</u>	<u>218,817</u>

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head and staff members under their contracts of employment, and not in respect of their role as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

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

J Lloyd (Head and trustee)

Remuneration £55,000 - £60,000 (2020 £55,000 - £60,000)

Employer's pension contributions £10,000 - £15,000 (2020 £10,000 - £15,000)

K Rodriguez (Assistant head and staff trustee)

Remuneration £25,000 - £30,000 (2020 £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2020 £5,000 - £10,000)

R Williams (Staff trustee to 8 May 2021)

Remuneration £20,000 - £25,000 (2020 £30,000 - £35,000)

Employer's pension contributions £Nil - £5,000 (2020 £Nil - £5,000)

L Minor (Staff trustee from 21 June 2021)

Remuneration £Nil - £5,000

Employer's pension contributions £Nil - £5,000

Other related party transactions involving the trustees are set out in note 22.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2021 nor for the year ended 31st August 2020.

9. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	719,735	647,829
Social security costs	57,032	47,883
Operating costs of defined benefit pension schemes	<u>251,638</u>	<u>215,395</u>
	1,028,405	911,107
Supply teacher costs	<u>6,104</u>	<u>8,319</u>
	<u>1,034,509</u>	<u>919,426</u>

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

9. STAFF COSTS - continued

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2021	2020
Teachers	9	7
Administration and support	26	25
Management	<u>3</u>	<u>3</u>
	<u>38</u>	<u>35</u>

No employees received emoluments in excess of £60,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £207,918 (2020- £205,584).

10. 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 trust 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 membership.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	1,200	39,715	40,915
Charitable activities				
Funding for the academy's educational operations	-	943,223	9,048	952,271
Other trading activities	141,841	5,926	-	147,767
Investment income	<u>27</u>	<u>44</u>	<u>18</u>	<u>89</u>
Total	141,868	950,393	48,781	1,141,042
EXPENDITURE ON				
Raising funds	143,631	-	-	143,631
Charitable activities				
Academy's educational operations	-	982,976	118,839	1,101,815
Total	<u>143,631</u>	<u>982,976</u>	<u>118,839</u>	<u>1,245,446</u>
NET INCOME/(EXPENDITURE)	(1,763)	(32,583)	(70,058)	(104,404)

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
Transfers between funds	-	(2,546)	2,546	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(25,000)	-	(25,000)
Net movement in funds	(1,763)	(60,129)	(67,512)	(129,404)
RECONCILIATION OF FUNDS				
Total funds brought forward	46,543	(697,234)	2,062,896	1,412,205
TOTAL FUNDS CARRIED FORWARD	<u>44,780</u>	<u>(757,363)</u>	<u>1,995,384</u>	<u>1,282,801</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st September 2020	2,519,423	111,448	61,688	2,692,559
Additions	7,325	3,193	9,878	20,396
Disposals	-	-	(11,093)	(11,093)
At 31st August 2021	<u>2,526,748</u>	<u>114,641</u>	<u>60,473</u>	<u>2,701,862</u>
DEPRECIATION				
At 1st September 2020	610,609	72,278	52,154	735,041
Charge for year	100,858	8,472	4,938	114,268
Eliminated on disposal	-	-	(11,093)	(11,093)
At 31st August 2021	<u>711,467</u>	<u>80,750</u>	<u>45,999</u>	<u>838,216</u>
NET BOOK VALUE				
At 31st August 2021	<u>1,815,281</u>	<u>33,891</u>	<u>14,474</u>	<u>1,863,646</u>
At 31st August 2020	<u>1,908,814</u>	<u>39,170</u>	<u>9,534</u>	<u>1,957,518</u>

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st September 2020 and 31st August 2021	<u>1</u>
NET BOOK VALUE	
At 31st August 2021	<u>1</u>
At 31st August 2020	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Lickhill Consultancy Limited

Registered office: Almond Way, Stourport-On-Severn, Worcestershire, DY13 8UA.

Nature of business: Training providers

	% holding	2021 £	2020 £
Class of share:			
Ordinary	100	1	1
Aggregate capital and reserves			

The amount due from Lickhill Consultancy Limited as at 31 August 2021 was £Nil repayable in one year and on demand (2020 £598).

The accounts present information of the academy trust as an individual undertaking and not as a group.

14. STOCKS

	2021 £	2020 £
Stocks	<u>2,740</u>	<u>4,352</u>

The above stock consists of educational equipment.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	741	3,941
Amounts owed by group undertakings	-	598
Other debtors	17,566	19,680
Prepayments	<u>36,814</u>	<u>30,595</u>
	<u>55,121</u>	<u>54,814</u>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	19,900	19,179
Social security and other taxes	12,931	11,706
Other creditors	23,261	23,738
Accruals and deferred income	<u>38,441</u>	<u>61,461</u>
	<u>94,533</u>	<u>116,084</u>

Deferred income

	2021	2020
	£	£
Deferred income at 1 September 2020	14,524	16,952
Released from previous years	(14,524)	(16,952)
Resources deferred in the year	<u>13,616</u>	<u>14,524</u>
Deferred Income at 31 August 2021	<u>13,616</u>	<u>14,524</u>

At the balance sheet date, the academy trust was holding funds received in advance for UIFSM income.

17. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 as stated in academy trust's funding agreement/memorandum and articles of association for the debts and liabilities contracted before they cease to be a member.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2021	
	Unrestricted	Restricted	Restricted	Total
	fund	funds	Fixed	funds
	£	£	Asset	£
			Funds	
Fixed assets	-	-	1,863,646	1,863,646
Investments	-	1	-	1
Current assets	65,877	100,443	28,917	195,237
Current liabilities	(13,306)	(80,575)	(652)	(94,533)
Pension liability	-	<u>(1,052,000)</u>	-	<u>(1,052,000)</u>
	<u>52,571</u>	<u>(1,032,131)</u>	<u>1,891,911</u>	<u>912,351</u>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

			2020	
	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
Fixed assets	-	-	1,957,518	1,957,518
Investments	-	1	-	1
Current assets	53,301	144,315	56,750	254,366
Current liabilities	(8,521)	(88,679)	(18,884)	(116,084)
Pension liability	-	(813,000)	-	(813,000)
	<u>44,780</u>	<u>(757,363)</u>	<u>1,995,384</u>	<u>1,282,801</u>

19. MOVEMENT IN FUNDS

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Restricted general funds			
Restricted general funds	55,637	(35,768)	19,869
Restricted fixed asset funds	1,995,384	(103,473)	1,891,911
Pension reserve	<u>(813,000)</u>	<u>(239,000)</u>	<u>(1,052,000)</u>
	<u>1,238,021</u>	<u>(378,241)</u>	<u>859,780</u>
Unrestricted fund			
Unrestricted funds	<u>44,780</u>	<u>7,791</u>	<u>52,571</u>
TOTAL FUNDS	<u>1,282,801</u>	<u>(370,450)</u>	<u>912,351</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted general funds	993,996	(1,029,764)	-	(35,768)
Restricted fixed asset funds	11,455	(114,928)	-	(103,473)
Pension reserve	<u>-</u>	<u>(85,000)</u>	<u>(154,000)</u>	<u>(239,000)</u>
	<u>1,005,451</u>	<u>(1,229,692)</u>	<u>(154,000)</u>	<u>(378,241)</u>
Unrestricted fund				
Unrestricted funds	<u>153,173</u>	<u>(145,382)</u>	<u>-</u>	<u>7,791</u>
TOTAL FUNDS	<u>1,158,624</u>	<u>(1,375,074)</u>	<u>(154,000)</u>	<u>(370,450)</u>

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/19 £	Net movement in funds £	Transfers between funds £	At 31/8/20 £
Restricted general funds				
Restricted general funds	6,766	51,417	(2,546)	55,637
Restricted fixed asset funds	2,062,896	(70,058)	2,546	1,995,384
Pension reserve	<u>(704,000)</u>	<u>(109,000)</u>	<u>-</u>	<u>(813,000)</u>
	<u>1,365,662</u>	<u>(127,641)</u>	<u>-</u>	<u>1,238,021</u>
Unrestricted fund				
Unrestricted funds	46,543	(1,763)	-	44,780
	<u>46,543</u>	<u>(1,763)</u>	<u>-</u>	<u>44,780</u>
TOTAL FUNDS	<u>1,412,205</u>	<u>(129,404)</u>	<u>-</u>	<u>1,282,801</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted general funds	950,393	(898,976)	-	51,417
Restricted fixed asset funds	48,781	(118,839)	-	(70,058)
Pension reserve	<u>-</u>	<u>(84,000)</u>	<u>(25,000)</u>	<u>(109,000)</u>
	<u>999,174</u>	<u>(1,101,815)</u>	<u>(25,000)</u>	<u>(127,641)</u>
Unrestricted fund				
Unrestricted funds	141,868	(143,631)	-	(1,763)
	<u>141,868</u>	<u>(143,631)</u>	<u>-</u>	<u>(1,763)</u>
TOTAL FUNDS	<u>1,141,042</u>	<u>(1,245,446)</u>	<u>(25,000)</u>	<u>(129,404)</u>

20. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £23,513 were payable to the schemes at 31st August 2021 (2020 - £23,655) and are included within creditors.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

20. PENSION AND SIMILAR OBLIGATIONS - 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the teachers' pension scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 period amounted to £94,117 (2020 - £80,237).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2021 was £92,067 (2020 - £69,579), of which employer's contributions totalled £72,865 (2020 - £52,024). and employees' contributions totalled £19,202 (2020 - £17,555). The agreed contribution rates for future years are 18.40 per cent for employers and 6.50 per cent for employees.

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

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021**

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2021	2020
	£	£
Present value of funded obligations	(1,845,000)	(1,398,000)
Fair value of plan assets	<u>793,000</u>	<u>585,000</u>
	(1,052,000)	(813,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(1,052,000)</u>	<u>(813,000)</u>
Net liability	<u>(1,052,000)</u>	<u>(813,000)</u>

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

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	143,000	124,000
Net interest from net defined benefit asset/liability	15,000	11,000
Past service cost	-	-
Administration expenses	<u>1,000</u>	<u>1,000</u>
	<u>159,000</u>	<u>136,000</u>
Actual return on plan assets	<u>116,000</u>	<u>9,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	1,398,000	1,217,000
Current service cost	143,000	124,000
Contributions by scheme participants	19,000	18,000
Interest cost	26,000	21,000
Actuarial losses/(gains)	259,000	30,000
Benefits paid	<u>-</u>	<u>(12,000)</u>
	<u>1,845,000</u>	<u>1,398,000</u>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021**

20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	585,000	513,000
Contributions by employer	74,000	52,000
Contributions by scheme participants	19,000	18,000
Interest on plan assets	11,000	10,000
Actuarial gains/(losses)	105,000	5,000
Benefits paid	-	(12,000)
Assets administration costs	(1,000)	(1,000)
	<u>793,000</u>	<u>585,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Actuarial gains/(losses) assets	105,000	5,000
Actuarial gains/(losses) obligations	(259,000)	(30,000)
	<u>(154,000)</u>	<u>(25,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Equities	659,000	385,000
Government Bonds	-	39,000
Other Bonds	1,000	31,000
Property	35,000	32,000
Cash	20,000	25,000
Other	78,000	73,000
	<u>793,000</u>	<u>585,000</u>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2021	2020
Increase in salaries	4.30%	3.80%
Inflation assumption (CPI)	2.80%	2.30%
Discount rate	1.70%	1.80%
Rate of increase for pensions	2.90%	2.40%

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2021

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	2021	2020
Retiring today		
Males	22.7	22.6
Females	25.1	25
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27
Sensitivity analysis		
	2021	2020
	£	£
Discount rate +0.1%	1,793	1,359
Discount rate -0.1%	1,899	1,438
Mortality assumption - 1 year increase	1,902	1,437
Mortality assumption - 1 year decrease	1,790	1,360
CPI rate +0.1%	1,898	1,438
CPI rate -0.1%	1,793	1,359

21. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	1,261	-
Between one and five years	-	3,784
	<u>1,261</u>	<u>3,784</u>

22. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

During the year the academy trust purchased an air conditioning unit for £1,815 from Swegon Limited, a company in which trustee A McKay is a director.

A Williams, spouse of R Williams, a trustee until 8 May 2021, is employed by the academy trust as a teacher. A Williams is paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a trustee.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.