

Company Registration Number: 08496504 (England & Wales)

YARDLEYS SCHOOL
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Feltons
Chartered Accountants

Birmingham
B1 3JR



YARDLEYS SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ms Emma Arnott (resigned 21 September 2021)
Ms Kibrest Suzie Bennett (resigned 15 April 2022)
Ms Nicola Cutler (resigned 15 April 2022)
Mr John Gardner
Mr Adill Hadi (resigned 15 April 2022)
Ms Jean Helme
Mr Robert Johnson (resigned 15 April 2022)
Mr Peter Lee (resigned 23 November 2021)
Mr Khaja Mohamed Ismail (resigned 23 November 2021)
Mr Gary Neal
Sir Christopher Stone (appointed 15 April 2022)
Mrs Jill Wilson (appointed 15 April 2022)

Trustees

Ms Emma Arnott (resigned 21 September 2021)
Ms Kibrest Suzie Bennett
Ms Nicola Cutler (resigned 24 April 2022)
Mr John Gardner (resigned 15 April 2022)
Mr Timothy Gordon¹
Mr Benn Gray¹
Mr Adill Hadi, Vice Chair
Ms Helen Hanford (appointed 23 November 2021)
Ms Jean Helme, Chair
Mr Robert Johnson
Mr Nadeem Khan (appointed 23 November 2021)
Mr Edmund Lawrence¹
Mr Peter Lee
Mr Khaja Mohamed Ismail (resigned 23 November 2021)
Mr Gary Neal (resigned 10 September 2022)
Ms Christine Owen (appointed 23 November 2021)
Ms Saiqa Rafiq (appointed 22 March 2022)
Ms Patricia Saunders (appointed 5 July 2022)
Mr Neil Warner, Accounting Officer (appointed 1 September 2021)

¹ Staff

**Company registered
number**

08496504

Company name

Yardleys School

**Principal and registered
office**

Reddings Lane
Tyseley
Birmingham
B11 3EY

Company secretary

Gemma Webb

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

Senior management team

Neil Warner, Headteacher
Gurpreet Basra, Deputy headteacher
David Pohl, Deputy headteacher
Jennifer Pritchard, Deputy headteacher
Jennifer Robbins, Assistant headteacher
Victor Webb, Assistant headteacher
Laura Yates, Assistant headteacher
Gemma Webb, Academy and business support manager

Independent auditors

Feltons
Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham
B1 3JR

Bankers

Lloyds Bank plc
25 Greasham Street
London
EC2V 7HN

Solicitors

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

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in Birmingham. It has a pupil capacity of 900 and had a roll of 945 in the school census in October 2022.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Yardleys School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Yardleys School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. 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 business. The insurance provides cover up to £5,000,000 on any one claim.

d. Method of recruitment and appointment or election of Trustees

Under the academy's articles of association, the number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The academy trust shall have the following trustees:

- a) Up to 12 trustees appointed by the members
- b) A minimum of two parent trustees (elected by parents of registered pupils at Yardleys School)
- c) The academy trust may also have any Co-opted trustee, appointed by trustees who have not themselves been so appointed.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The board of trustees has a service level agreement with School and Governor Support at Birmingham City Council to provide training, advice and support to the board of trustees. During the course of the year, a couple of internal training sessions have been held for trustees.

Newly appointed trustees are provided with a comprehensive induction, including being issued with a trustee handbook, which includes a wide range of information on the school, its aims and values. All new trustees are required to complete a skills audit test to assess their experience and knowledge and to support with identifying future training needs. They will undergo an enhanced DBS check.

New trustees are required to complete induction training and safeguarding training. The headteacher is the leader for professional development in school, and he ensures that trustees are provided with opportunities to receive training in accordance with their role, and the school's training plan. They also have access to the National Governance Association providing information, advice, guidance and training.

Trustees are actively invited to take part in school activities to allow them opportunities to experience the school environment.

f. Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees. The committees for the period of the report were:

- Finance, Premises and Staffing
- Curriculum and Standards
- Audit and Risk
- Pay Committee

In addition, trustees volunteer to serve on ad-hoc committees which are convened as required e.g to hear staff or pupil disciplinary cases and appeals.

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk management.

The board of trustees are responsible for the strategic development of the academy, including adopting a school improvement plan, approving the annual budget, setting general policies, monitoring the finances of the academy using regular budget monitoring reports and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The leadership team consists of the headteacher, three deputy headteachers, three assistant headteachers and the academy business and support manager. These managers control the academy at an executive level, implementing the policies laid down by trustees and reporting back to them. As a group, the leadership team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, although senior staff appointments will always include a trustee on the interview panel.

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

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Governors are unpaid, although travelling expenses are payable upon request.

Senior leadership team pay progression is determined through the performance management process with reviews being conducted by the headteacher. The headteacher's performance management process is conducted by two appointed governors, supported by an external consultant.

h. Trade union facility time

Relevant union officials

| | |
|---|---|
| Number of employees who were relevant union officials during the year | 2 |
| Full-time equivalent employee number | 2 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | - |
| 1%-50% | 2 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time £

| | |
|---|-----------|
| Total cost of facility time | 14,539 |
| Total pay bill | 4,931,418 |
| Percentage of total pay bill spent on facility time | 0.29 % |

Paid trade union activities

| | |
|---|---------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 50.00 % |
|---|---------|

i. Related parties and other connected charities and organisations

Yardleys School has working links with a range of other organisations including local primary and secondary schools, local FE colleges and employers, local teaching school alliances, Birmingham and other local authorities, Duke of Edinburgh Award Scheme, police panel, sharing panel and the local collegiate. These links are maintained in the interests of supporting good practice and information sharing in order to support the academy's object of advancement for the public benefit education in the United Kingdom.

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

Objectives and activities

a. Objects and aims

The strategic goal of Yardleys School is to provide an excellent level of education through a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

b. Objectives, strategies and activities

At Yardleys School, we aim:

- To achieve academic excellence
- To educate the "whole child" so that they are ready for life
- To work collaboratively and ethically to provide education of the highest standard

In addition to the school aims to promote the following values in both staff and students:

- Curiosity
- Empathy
- Integrity
- Positivity
- Reflection
- Resilience

The strategies adopted for achieving these objectives are:

- The Yardleys charter outlining the ethos and values of the school for pupils and staff.
- A curriculum which focuses on both academic excellence and personal development
- Implementation of the 'Yardleys Curriculum'
- Improving teaching and management through regular training and collaboration
- Improving accountability and quality assurance systems at all levels of leadership and management, including governance
- Well planned and robust business, administrative and support systems
- A strong and supportive pastoral system including pupil safety, behaviour and attitudes.
- A relentless focus on ensuring a robust culture of safeguarding is maintained.

c. Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Yardleys School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

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

Strategic report

Achievements and performance

The academy is in its tenth year of operation and continues to be significantly oversubscribed. In 2022, 1,253 parents expressed a preference for one of the 190 places in year 7.

The school is highly focused on raising standards of pupil achievement and is successful at doing so.

The average attainment of students arriving in Year 7 is well below the national average. Despite this, pupils achieve above the national average.

Due to the cancellation of the exams in 2020 and 2021 as a result of the Coronavirus pandemic, the last progress 8 scores prior to +0.34 in 2022, were +0.48 in 2019. The 2022 national average score for all state funded schools in England is -0.03. This shows that Yardleys progress 8 score is considerably higher than the national average score.

In 2022, 43% of students achieved a grade 5 or better in English and Maths, which is slightly below the national average.

Students entered for EBacc qualifications has risen from 6% in 2021 to 22% in 2022. This percentage will increase further going forward. The school received favourable progress 8 scores for all categories:

| | |
|--------------|-------|
| English | +0.82 |
| Maths | +0.42 |
| English Bacc | +0.21 |
| Open element | +0.01 |

The school's progress 8 for disadvantaged pupils was +0.12, well above the national average for disadvantaged pupils and comparing favourable with the national average for non-disadvantaged pupils. There were also improvements in the progress of SEND students. In 2022 students achieved a progress 8 score of -0.41 up from -0.76 in 2019. The gap between SEND and non-SEND students has decreased from 1.24 to 0.78. This was particularly pleasing given the increase in the number of SEND students from 9.24% in 2019 to 18% in 2022.

The school received a positive section 8 OFSTED Inspection and Report in February 2020 which meant the academy retained its outstanding status.

The key part of raising standards of achievement is to improve the quality of the curriculum and teaching. In an unprecedented time of uncertainty, the school continues to focus on teaching and learning including:-

- A well planned, coherent curriculum both for academic subjects and personal development.
- Ensuring a prompt start to lessons and other measures to ensure a positive climate for learning
- Increased reading and focus on writing skills
- Focus on factual knowledge – particularly through the online homework system
- Regular training in subject teams and through the appraisal (PDR) system
- Assessment and feedback, including the marking policy and regular practice tests and effective formative and summative assessment.
- Improving accountability at all levels

Behaviour and attendance both continue to improve.

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

- Direct costs as a percentage of total costs were 65.4% (2021 : 64.8%)
- Support costs as a percentage of total costs were 34.6% (2021 : 35.2%)
- Total payroll costs as a percentage of recurring income were 75.8% (2021 : 73.5%)

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

Financial review

The majority of the academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ending 31 August 2022 and the associated expenditure is shown in the statement of financial activities as restricted funds.

The academy also receives capital funding to address capital expenditure. This income is shown in the statement of financial activities as restricted income in the fixed asset fund.

The financial results of Yardleys School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook..

During the year ended 31 August 2022 total resources expended were £8,123,622 and the deficit of income over expenditure was £707,699 which included depreciation of £460,624.

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

a. Reserves policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

Yardleys School retains a healthy level of reserves as a result of careful strategic financial planning and management.

The academy had total funds at 31 August 2022 of £14,526,210 which included £1,506,051 restricted funds not available for general purposes of the academy trust, £955,524 of free reserves defined as unrestricted funds available for general purposes and £14,063,635 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £2,461,575.

In addition, the deficit on the restricted pension fund of £1,999,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves and aim to maintain them at a minimum of £900,000.

Trustees have approved site development expenditure for the installation of automated pedestrian and vehicle access gates on the entrance of the school site. The expenditure will be incurred using some of the reserves balance.

b. Investment policy

Any surplus funds are invested with Lloyds Bank plc in a deposit account. The interest rates on the investments have significantly reduced as a result of the global pandemic which has in turn contributed to an increase in the defined benefit pension liability.

These investments are carried out in accordance with the powers vested in the board of trustees and regularly reviewed.

c. Principal risks and uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

The major risk being increased expenditure relating to staffing costs and rapidly escalating utility costs. This is in the light of significant increases in the cost of living, high rates of inflation and global energy prices, which brings great uncertainty when budget planning. The school continues to closely monitor expenditure, seeking best value and also investigating energy conservation methods.

Attention has also been focused on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas. The academy's risk register is updated annually and shared with trustees each new academic year and during the year.

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

Fundraising

The school does not currently engage in any fundraising.

Plans for future periods

The school aims to maintain and improve on its outstanding status and high academic and pastoral standards through:

- Further improving leadership and management at all levels.
- Further improving pastoral care and personal development.
- Further improving curriculum and academic standards.

Funds held as custodian on behalf of others


The school holds funds of £17,587 on behalf of the collegiate.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2022 and signed on its behalf by:



Jean Helme
(Chair of Trustees)

YARDLEYS SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Yardleys 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.

YARDLEYS SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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 |
|---|-------------------|-------------------|
| Ms Emma Arnott (resigned 21/9/21) | 0 | 0 |
| Ms Kibrest Suzie Bennett (parent) | 4 | 4 |
| Ms Nicola Cutler (member, resigned 24/6/22) | 1 | 3 |
| Mr John Gardner (member, resigned 15/4/22) | 3 | 3 |
| Mr Timothy Gordon (staff) | 4 | 4 |
| Mr Benn Gray (staff) | 3 | 4 |
| Mr Adill Hadi, Vice Chair (member) | 3 | 4 |
| Ms Helen Hanford (member, appointed 23/11/21) | 3 | 3 |
| Ms Jean Helme, Chair (member) | 4 | 4 |
| Mr Robert Johnson (member) | 3 | 4 |
| Mr Nadeem Khan (co-opted, appointed 23/11/21) | 3 | 3 |
| Mr Edmund Lawrence (staff) | 3 | 4 |
| Mr Peter Lee (appointed) | 3 | 4 |
| Mr Khaja Mohamed Ismail | 0 | 0 |
| Mr Gary Neal (co-opted to 10/9/22) | 1 | 4 |
| Ms Christine Owen (member, appointed 23/11/21) | 3 | 3 |
| Ms Saiqa Rafiq (parent, appointed 22/3/22) | 2 | 2 |
| Ms Patricia Saunders (member, 5/7/22) | 1 | 1 |
| Mr Neil Warner, Accounting Officer (appointed 5/7/22) | 4 | 4 |

In April 2022 the trust adopted the DfE model articles of association to reflect the change in the Academy Trust Handbook that members must not be employees of the trust, this bringing changes to the governance structure and greater separation between the role of the members and trustees, and clear lines of accountability.

The Full trust board met four times during the year and maintained oversight through the three committees, which met 12 times in total and reported back to the full trust board.

The board has used the NGA model skills audit tool and the results have been analysed to identify skills gaps and areas of training need.

The board is presented with a wide range of reports on all areas of school management, which are backed up whenever possible with externally derived data or comparisons. For example, external reading tests; exams; GL assessments; ISDR government academic data reports, OFSTED report (February 2020), attendance and exclusion statistics.

Financial information is reinforced through internal and external audit reports. The school employs an external consultant who provides an annual audit of health and safety procedures and policies, as well as an annual fire risk assessment. An external audit of the school's Single Central Record and the Investors in People award provide reassurance on HR practice. The school have just received a gold accreditation for the recent Investors in People assessment.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Conflicts of interest

All trustees are required to complete a declaration of business & personal interests form at the start of the academic year, these are reviewed for any changes throughout the year, compiled on a register, which is published on the school website.

Governance review

A review of governance is planned to take place in academic year 2022/23 following the changes in governance structure. The trust board has carried out self-evaluation of effectiveness through committees.

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

- assist the decision-making of the trust board, by enabling more detailed consideration to be given to the best means of fulfilling the board's responsibility to ensure sound management of the academy's finances, resources, including proper planning, monitoring and probity.
- to receive regular reports on premises issues including health and safety and the monitoring of the PFI contract and advise the governing body on priorities for development.
- to oversee and review the school's staffing structure, ensuring compliance with practices and legislations relating to personnel.

The committee has met 6 times during the 2021/2022 academic year. Details of trustee attendance at the meetings is shown below:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Ms Nicola Cutler (member, resigned 24/6/22) | 1 | 5 |
| Mr John Gardner (chair, resigned 15/4/22) | 4 | 4 |
| Dr Tim Gordon (staff) | 6 | 6 |
| Mr Benn Gray (staff) | 6 | 6 |
| Mr Adill Hadi (member) | 3 | 6 |
| Ms Jean Helme (member) | 5 | 6 |
| Mr Peter Lee (Vice chair, re-elected 23/11/21) | 6 | 6 |
| Mr Nadeem Khan (co-opted from 23/11/21) | 3 | 4 |
| Mr Neil Warner (member, appointed 5/7/22) | 6 | 6 |

Audit and Risk Committee

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to advise them on matters relating to the trust's internal and external audit arrangements, to aid the governing body's responsibility to ensure sound management of the trust's finances and resources and to ensure the effectiveness of the trust's risk management in accordance with the Academies Financial Handbook as published annually by the ESFA.

The aims of the two annual independent financial reviews are to protect the Academy's assets; to identify and manage the risk of conflict of interest, loss, waste, bribery, theft or fraud; to ensure that financial reporting is robust and of sufficient quality; and to ensure that the Trustees comply with laws and regulations relating to finance.

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| <p style="text-align: center;">YARDLEYS SCHOOL (A Company Limited by Guarantee)</p> |
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| Ms Nicola Carter (resigned 24/6/22) | 1 | 3 |
| Mr John Gardner (appointed 15/4/22) | 2 | 2 |
| Mr Adill Hadi | 3 | 3 |
| Mr Peter Lee | 3 | 3 |
| Mr Gary Neal (resigned 10/9/22) | 0 | 3 |

Review of value for money

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

The accounting officer considers how the academy 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:

- Targeted support is provided for students, through the SEND department, pastoral systems and external agencies.
- Constantly reviewing both the quality and quantity of curriculum resources, such as training, online resources and staff roles.
- All expiring contracts are appraised and renegotiated where necessary to ensure that value for money is achieved. The school ensures that competitive tendering procedures are adhered to when entering into new contracts which exceed the tendering value.
- Energy conservation measures are being explored in conjunction with the Eco committee.
- Feltons chartered accountants and business advisers conduct an annual audit at year-end prior to the compilation of the year-end annual accounts, which are then presented to the governing body for approval.
- The school engages with other educational providers, teaching school alliances and subscribes to the Birmingham Association of School Business Managers, National Association of School Business Managers, Education Executive and the National Governance Association. These groups provide a valuable tool for accessing and sharing new ideas with colleagues and can show how-to drive-up standards.

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 Yardleys School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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, Premises and Staffing 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 decided to employ an internal reviewer to perform as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations
- review of policies and procedures

On a semi-annual basis, the internal reviewer reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal reviewer completed and delivered the schedule of planned work during the year and there were no areas of material concern to report on.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, Neil Warner the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the school resource management self-assessment tool;
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

The finance, premises and staffing committee has received evidence from all of the above 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 14 December 2022 and signed on their behalf by:



Jean Helme
Chair of Trustees



Neil Warner
Accounting Officer

YARDLEYS SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Yardleys School I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy Board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2021.

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



Neil Warner
Accounting Officer
Date: 14 December 2022

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:



Jean Helme
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YARDLEYS SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YARDLEYS SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YARDLEYS SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YARDLEYS SCHOOL (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

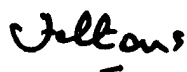
YARDLEYS SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YARDLEYS SCHOOL (CONTINUED)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

for and on behalf of
Feltons

Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham

B1 3JR

14 December 2022

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yardleys School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Yardleys School's funding agreement with the Secretary of State for Education dated 31 July 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

- * Consideration of the applicable legislation and the academy trust's funding agreement
- * Review and evaluation of the academy trust's system of internal controls
- * Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- * Examination, on a test basis, of third party evidence supporting income and expenditure
- * Review of exceptional and unusual items

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of
Feltons
Statutory Auditor

8 Sovereign Court
8 Graham Street
Birmingham
B1 3JR

Date: 14 December 2022

YARDLEYS SCHOOL
(A Company Limited by Guarantee)

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

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | - | - | 19,711 | 19,711 | 64,928 |
| Other trading activities | | 47,285 | - | - | 47,285 | 30,247 |
| Investments | 6 | 1,517 | - | - | 1,517 | 2,600 |
| Charitable activities | | 1,293 | 7,346,117 | - | 7,347,410 | 7,131,882 |
| Total income | | 50,095 | 7,346,117 | 19,711 | 7,415,923 | 7,229,657 |
| Expenditure on: | | | | | | |
| Charitable activities | | 13,755 | 7,670,203 | 460,624 | 8,144,582 | 7,686,191 |
| Total expenditure | | 13,755 | 7,670,203 | 460,624 | 8,144,582 | 7,686,191 |
| Net income/(expenditure) | | 36,340 | (324,086) | (440,913) | (728,659) | (456,534) |
| Transfers between funds | 18 | - | (68,887) | 68,887 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 36,340 | (392,973) | (372,026) | (728,659) | (456,534) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 25 | - | 4,159,000 | - | 4,159,000 | (603,000) |
| Net movement in funds | | 36,340 | 3,766,027 | (372,026) | 3,430,341 | (1,059,534) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 919,184 | (4,258,976) | 14,435,661 | 11,095,869 | 12,155,403 |
| Net movement in funds | | 36,340 | 3,766,027 | (372,026) | 3,430,341 | (1,059,534) |
| Total funds carried forward | | 955,524 | (492,949) | 14,063,635 | 14,526,210 | 11,095,869 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

YARDLEYS SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08496504

BALANCE SHEET
AS AT 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 14,191,644 | 14,577,029 |
| | | <u>14,191,644</u> | <u>14,577,029</u> |
| Current assets | | | |
| Debtors | 14 | 139,569 | 117,515 |
| Cash at bank and in hand | | 4,799,115 | 2,841,090 |
| | | <u>4,938,684</u> | <u>2,958,605</u> |
| Creditors: falling due within one year | 15 | (2,518,286) | (676,575) |
| Net current assets | | <u>2,420,398</u> | <u>2,282,030</u> |
| Total assets less current liabilities | | <u>16,612,042</u> | <u>16,859,059</u> |
| Creditors: amounts falling due over one year | 16 | (86,832) | (100,190) |
| Net assets excluding pension liability | | <u>16,525,210</u> | <u>16,758,869</u> |
| Defined benefit pension scheme liability | 25 | (1,999,000) | (5,663,000) |
| Total net assets | | <u>14,526,210</u> | <u>11,095,869</u> |
| Funds of the academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 14,063,635 | 14,435,661 |
| Restricted income funds | 18 | 1,506,051 | 1,404,024 |
| | | <u>15,569,686</u> | <u>15,839,685</u> |
| Restricted funds excluding pension asset | 18 | 15,569,686 | 15,839,685 |
| Pension reserve | 18 | (1,999,000) | (5,663,000) |
| Total restricted funds | 18 | <u>13,570,686</u> | <u>10,176,685</u> |
| Unrestricted income funds | 18 | <u>955,524</u> | <u>919,184</u> |
| Total funds | | <u>14,526,210</u> | <u>11,095,869</u> |

The financial statements on pages 26 to 52 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:

Ms Jean Helme



YARDLEYS SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

| | Note | 2022 £ | 2021 £ |
|---|--------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 2,012,036 | 321,406 |
| Cash flows from investing activities | 21 | (54,011) | (67,730) |
| Change in cash and cash equivalents in the year | | <u>1,958,025</u> | <u>253,676</u> |
| Cash and cash equivalents at the beginning of the year | | 2,841,090 | 2,587,414 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u><u>4,799,115</u></u> | <u><u>2,841,090</u></u> |

The notes on pages 29 to 52 form part of these financial statements

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

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

1. Accounting policies (continued)

1.3 Income

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

• **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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

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

• **Donated fixed assets (excluding transfers on conversion or into the academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

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

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

| | | | |
|------------------------------|---|-----|-----------------------------|
| Long-term leasehold property | - | 2% | on a straight line basis |
| Furniture and equipment | - | 10% | on a straight line basis |
| Computer equipment | - | 33% | on a straight line basis |
| Motor vehicles | - | 25% | on a reducing balance basis |

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

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

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

1. Accounting policies (continued)

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

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

1. Accounting policies (continued)

1.14 PFI agreement

The Academy occupies buildings which are owned by Birmingham City Council and utilised by the Academy under a PFI agreement between Council and the PFI contractor. The Academy pays revenue contributions in respect of facilities management. The contract will expire in 2031. The Academy has the rights and obligations of ownership in respect of these assets which are therefore included on the Academy's balance sheet as at the date of conversion.

Assets other than buildings are accounted for at fair value with the corresponding liability included in creditors in accordance with FRS 5.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

| | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | <i>Total funds 2021 £</i> |
|----------------------|--|---------------------------------------|---------------------------------------|
| Capital grants | 19,711 | 19,711 | 19,728 |
| Donated fixed assets | - | - | 45,200 |
| | <u>19,711</u> | <u>19,711</u> | <u>64,928</u> |

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

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Educational operations | | | | |
| DfE/ESFA grants | | | | |
| General annual grant | - | 6,703,238 | 6,703,238 | 6,341,741 |
| Other DfE/ESFA grants | | | | |
| Pupil premium | - | 418,447 | 418,447 | 413,208 |
| Teachers pay grant | - | - | - | 64,363 |
| Teachers pension grant | - | - | - | 181,872 |
| Supplementary grants | - | 79,739 | 79,739 | - |
| School-led tutoring | - | 48,622 | 48,622 | - |
| Others | - | 1,200 | 1,200 | 17,300 |
| | - | 7,251,246 | 7,251,246 | 7,018,484 |
| Other Government grants | | | | |
| Local authority grants | - | 27,935 | 27,935 | 34,883 |
| | - | 27,935 | 27,935 | 34,883 |
| Other income from the academy's educational operations | 1,293 | - | 1,293 | 2,425 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Recovery/Catch-up Premium | - | 62,785 | 62,785 | 74,560 |
| Other DfE/ESFA COVID-19 funding | - | 4,151 | 4,151 | 1,530 |
| | - | 66,936 | 66,936 | 76,090 |
| | 1,293 | 7,346,117 | 7,347,410 | 7,131,882 |
| | 1,293 | 7,346,117 | 7,347,410 | 7,131,882 |
| Total 2021 | 2,425 | 7,129,457 | 7,131,882 | |

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

5. Income from other trading activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Miscellaneous | 47,285 | 47,285 | 30,247 |

6. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---------------------|------------------------------------|-----------------------------|-----------------------------|
| Short term deposits | 1,517 | 1,517 | 2,600 |

7. Expenditure

| | Staff Costs 2022 £ | Premises 2022 £ | Other 2022 £ | Total 2022 £ | Total 2021 £ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Educational operations: | | | | | |
| Direct costs | 4,538,320 | 398,618 | 376,715 | 5,313,653 | 4,976,822 |
| Allocated support costs | 1,084,008 | 1,436,382 | 310,539 | 2,830,929 | 2,709,369 |
| | 5,622,328 | 1,835,000 | 687,254 | 8,144,582 | 7,686,191 |
| <i>Total 2021</i> | 5,283,770 | 1,784,151 | 618,270 | 7,686,191 | |

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

8. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Educational operations | 5,313,653 | 2,830,929 | 8,144,582 | 7,686,191 |
| <i>Total 2021</i> | <i>4,976,822</i> | <i>2,709,369</i> | <i>7,686,191</i> | |

Analysis of support costs

| | Educational operations 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---------------------|--|-----------------------------|-----------------------------|
| Staff costs | 1,084,008 | 1,084,008 | 911,338 |
| Depreciation | 62,006 | 62,006 | 175,283 |
| Technology costs | 2,636 | 2,636 | 1,928 |
| Premises costs | 1,299,885 | 1,299,885 | 1,311,928 |
| Other support costs | 373,249 | 373,249 | 300,012 |
| Governance costs | 9,145 | 9,145 | 8,880 |
| | 2,830,929 | 2,830,929 | 2,709,369 |

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2022 £ | 2021 £ |
|---------------------------------------|-----------|-----------|
| Operating lease rentals | 1,224,881 | 1,137,528 |
| Depreciation of tangible fixed assets | 460,621 | 467,421 |
| Loss on disposal of fixed assets | - | 4,805 |
| Fees paid to auditors for: | | |
| - audit | 8,850 | 8,600 |
| - other services | 295 | 280 |

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 £ | 2021 £ |
|-----------------------|-------------------------|-------------------------|
| Wages and salaries | 3,819,252 | 3,694,525 |
| Social security costs | 425,133 | 393,387 |
| Pension costs | 1,312,110 | 1,157,017 |
| | <u>5,556,495</u> | <u>5,244,929</u> |
| Agency staff costs | 65,833 | 38,841 |
| | <u><u>5,622,328</u></u> | <u><u>5,283,770</u></u> |

b. Staff numbers

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

| | 2022 No. | 2021 No. |
|----------------------------|-------------|-------------|
| Teachers | 59 | 60 |
| Administration and support | 38 | 38 |
| Management | 7 | 6 |
| | <u>104</u> | <u>104</u> |

c. Higher paid staff

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

| | 2022 No. | 2021 No. |
|---------------------------------|-----------------|-----------------|
| In the band £60,001 - £70,000 | 3 | 2 |
| In the band £80,001 - £90,000 | 2 | 2 |
| In the band £110,001 - £120,000 | 1 | 1 |
| | <u><u>6</u></u> | <u><u>5</u></u> |

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

10. Staff (continued)

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £835,920 (2021 - £799,637).

11. Trustees' remuneration and expenses

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

| | | 2022 £'000 | 2021 £'000 |
|---|----------------------------|---------------|---------------|
| Mr Brynley Evans (Accounting Officer, resigned 31/8/2021) | Remuneration | 0 | 115 - 120 |
| | Pension contributions paid | 0 | 25 - 30 |
| Mr Edmund Lawrence (staff trustee) | Remuneration | 55 - 60 | 55 - 60 |
| | Pension contributions paid | 10 - 15 | 10 - 15 |
| Mr Benn Gray (staff trustee) | Remuneration | 35 - 40 | 30 - 35 |
| | Pension contributions paid | 5 - 10 | 5 - 10 |
| Mr Timothy Gordon (staff trustee) | Remuneration | 35 - 40 | 35 - 40 |
| | Pension contributions paid | 5 - 10 | 5 - 10 |
| Mr Neil Warner (Accounting Officer and trustee, appointed 1 September 2021) | Remuneration | 115 - 120 | - |
| | Pension contributions paid | 25 - 30 | - |

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Trustees' and Officers' insurance

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 business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

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13. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------------|------------|
| Cost or valuation | | | | | |
| At 1 September 2021 | 16,896,327 | 572,462 | 448,290 | 25,033 | 17,942,112 |
| Additions | 4,370 | 60,908 | 9,961 | - | 75,239 |
| At 31 August 2022 | 16,900,697 | 633,370 | 458,251 | 25,033 | 18,017,351 |
| Depreciation | | | | | |
| At 1 September 2021 | 2,610,457 | 375,887 | 356,143 | 22,596 | 3,365,083 |
| Charge for the year | 338,270 | 63,333 | 58,412 | 609 | 460,624 |
| At 31 August 2022 | 2,948,727 | 439,220 | 414,555 | 23,205 | 3,825,707 |
| Net book value | | | | | |
| At 31 August 2022 | 13,951,970 | 194,150 | 43,696 | 1,828 | 14,191,644 |
| At 31 August 2021 | 14,285,870 | 196,575 | 92,147 | 2,437 | 14,577,029 |

14. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 2,577 | 177 |
| Other debtors | 22,327 | 2,394 |
| Prepayments and accrued income | 114,665 | 114,944 |
| | 139,569 | 117,515 |

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|------------------|----------------|
| Trade creditors | 44,175 | - |
| Other creditors | 1,753,539 | 439,796 |
| Accruals and deferred income | 720,572 | 236,779 |
| | <u>2,518,286</u> | <u>676,575</u> |

Included in other creditors are amounts of £1,701,210 due to Birmingham City Council for payroll costs which they have not drawn down and the trust held sufficient funds for the payment of these creditors. These have been paid off after the year.

16. Creditors: Amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|-----------------|---------------|----------------|
| Other creditors | <u>86,832</u> | <u>100,190</u> |

Other creditors over one year are amounts due to Birmingham City Council for obligations under PFI contracts. Yardleys School have agreed to pay the Council amounts for maintenance of buildings and for assets other than property acquired on conversion. The arrangements have 10 years remaining for the FM contract. The amount repayable under one year is £13,336 (2021: £13,356) and shown in other creditors in note 15. The amount repayable over 5 years is £33,390 (2021: £46,746).

17. Financial instruments

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | <u>4,799,115</u> | <u>2,841,090</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Other income | 919,184 | 50,095 | -(13,755) | - | - | 955,524 |
| Restricted general funds | | | | | | |
| General annual grant (GAG) | 1,388,720 | 6,703,238 | (6,517,020) | (68,887) | - | 1,506,051 |
| Pupil premium | - | 418,446 | (418,446) | - | - | - |
| Recovery/Catch up premium | 15,304 | 62,785 | (78,089) | - | - | - |
| Other grants | - | 161,648 | (161,648) | - | - | - |
| Pension reserve | (5,663,000) | - | (495,000) | - | 4,159,000 | (1,999,000) |
| | <u>(4,258,976)</u> | <u>7,346,117</u> | <u>(7,670,203)</u> | <u>(68,887)</u> | <u>4,159,000</u> | <u>(492,949)</u> |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 13,066,694 | - | (334,428) | - | - | 12,732,266 |
| DfE Group capital grants | 126,890 | 19,711 | (11,706) | - | - | 134,895 |
| Capital expenditure from GAG | 1,250,700 | - | (100,273) | 55,529 | - | 1,205,956 |
| PFI provider | (38,907) | - | (11,876) | 13,358 | - | (37,425) |
| Donations | 30,284 | - | (2,341) | - | - | 27,943 |
| | <u>14,435,661</u> | <u>19,711</u> | <u>(460,624)</u> | <u>68,887</u> | <u>-</u> | <u>14,063,635</u> |
| Total Restricted funds | <u>10,176,685</u> | <u>7,365,828</u> | <u>(8,130,827)</u> | <u>-</u> | <u>4,159,000</u> | <u>13,570,686</u> |
| Total funds | <u>11,095,869</u> | <u>7,415,923</u> | <u>(8,144,582)</u> | <u>-</u> | <u>4,159,000</u> | <u>14,526,210</u> |

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

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

18. Statement of funds (continued)

Restricted general funds :

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Unrestricted funds :

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds :

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Other income | 910,336 | 35,272 | (26,424) | - | - | 919,184 |
| Restricted general funds | | | | | | |
| General annual grant (GAG) | 1,194,799 | 6,341,741 | (6,064,132) | (83,688) | - | 1,388,720 |
| UIFSM | - | 15,300 | (15,300) | - | - | - |
| Pupil premium | - | 413,208 | (413,208) | - | - | - |
| Catch up premium | - | 74,560 | (59,256) | - | - | 15,304 |
| Recovery/Catch up premium | - | 1,530 | (1,530) | - | - | - |
| Other grants | - | 283,118 | (283,118) | - | - | - |
| Pension reserve | (4,709,000) | - | (351,000) | - | (603,000) | (5,663,000) |
| | (3,514,201) | 7,129,457 | (7,187,544) | (83,688) | (603,000) | (4,258,976) |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 13,401,122 | - | (334,428) | - | - | 13,066,694 |
| DfE Group capital grants | 120,444 | 19,728 | (13,282) | - | - | 126,890 |
| Capital expenditure from GAG | 1,277,891 | - | (97,521) | 70,330 | - | 1,250,700 |
| PFI provider | (40,189) | - | (12,076) | 13,358 | - | (38,907) |
| Donations | - | 45,200 | (14,916) | - | - | 30,284 |
| | 14,759,268 | 64,928 | (472,223) | 83,688 | - | 14,435,661 |
| Total Restricted funds | 11,245,067 | 7,194,385 | (7,659,767) | - | (603,000) | 10,176,685 |

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

18. Statement of funds (continued)

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|--------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Total funds | 12,155,403 | 7,229,657 | (7,686,191) | - | (603,000) | 11,095,869 |

19. Analysis of net assets between funds

Analysis of net assets between funds - current year.

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | 128,009 | 14,063,635 | 14,191,644 |
| Current assets | 955,524 | 3,983,160 | - | 4,938,684 |
| Creditors due within one year | - | (2,518,286) | - | (2,518,286) |
| Creditors due in more than one year | - | (86,832) | - | (86,832) |
| Provisions for liabilities and charges | - | (1,999,000) | - | (1,999,000) |
| Total | 955,524 | (492,949) | 14,063,635 | 14,526,210 |

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

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

| | 2022 £ | 2021 £ |
|---|------------------|----------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (728,659) | (456,534) |
| Adjustments for: | | |
| Depreciation | 460,624 | 467,421 |
| Capital grants from DfE and other capital income | (19,711) | (19,728) |
| Interest receivable | (1,517) | (2,600) |
| Defined benefit pension scheme cost less contributions payable | 396,000 | 275,000 |
| Defined benefit pension scheme finance cost | 99,000 | 76,000 |
| (Increase)/decrease in debtors | (22,054) | 53,086 |
| Increase/(decrease) in creditors | 1,828,353 | (30,844) |
| Loss on disposal of fixed assets | - | 4,805 |
| Donated fixed asset | - | (45,200) |
| Net cash provided by operating activities | 2,012,036 | 321,406 |

21. Cash flows from investing activities

| | 2022 £ | 2021 £ |
|--|-----------------|-----------------|
| Dividends, interest and rents from investments | 1,517 | 2,600 |
| Purchase of tangible fixed assets | (75,239) | (90,058) |
| Capital grants from DfE Group | 19,711 | 19,728 |
| Net cash used in investing activities | (54,011) | (67,730) |

22. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 4,799,115 | 2,841,090 |
| Total cash and cash equivalents | 4,799,115 | 2,841,090 |

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

23. Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|--------------------------|--------------------------------|------------------|---------------------------|
| Cash at bank and in hand | 2,841,090 | 1,958,025 | 4,799,115 |
| | <u>2,841,090</u> | <u>1,958,025</u> | <u>4,799,115</u> |

24. Contingent liabilities

Following the recent decision in the Harpur Trust vs Brazel case the trust is considering the potential liability in respect of this. At this time it is not possible to quantify the liability, if any, and no provision has been made in these accounts.

25. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £620,068 (2021 - £616,653).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £249,000 (2021 - £251,000), of which employer's contributions totalled £192,000 (2021 - £194,000) and employees' contributions totalled £ 57,000 (2021 - £57,000). The agreed contribution rates for future years are 21.1 per cent for employers and between 5.5 per cent and 6.8 per cent for employees.

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

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

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25. Pension commitments (continued)

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 29 years.

Principal actuarial assumptions

| | 2022 | 2021 |
|--|--------------|--------------|
| | % | % |
| Rate of increase in salaries | 4.05 | 3.85 |
| Rate of increase for pensions in payment/inflation | 3.05 | 2.85 |
| Discount rate for scheme liabilities | 4.25 | 1.70 |
| Inflation assumption (CPI) | 3.05 | 2.85 |
| Commutation of pensions to lump sums | 50.00 | 50.00 |

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

| | 2022 | 2021 |
|-----------------------------|--------------|--------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.2 | 21.6 |
| Females | 23.6 | 24.1 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.9 | 23.4 |
| Females | 25.4 | 25.8 |

Sensitivity analysis

West Midlands Pension Scheme

| | 2022 | 2021 |
|--|--------------|--------------|
| | £000 | £000 |
| Discount rate +0.1% | (132) | (251) |
| Discount rate -0.1% | 132 | 259 |
| Mortality assumption - 1 year increase | 214 | 379 |
| Mortality assumption - 1 year decrease | (214) | (363) |
| CPI rate +0.1% | 105 | 216 |
| CPI rate -0.1% | (105) | (204) |

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

Share of scheme assets

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

| | At 31 August 2022 £ | At 31 August 2021 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 2,243,800 | 1,981,900 |
| Bonds | 703,300 | 454,900 |
| Property | 267,900 | 227,400 |
| Cash and other liquid assets | 134,000 | 584,800 |
| Total market value of assets | 3,349,000 | 3,249,000 |

The actual return on scheme assets was £(97,470) (2021 - £473,000).

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

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Current service cost | 588,000 | 469,000 |
| Interest income | (57,000) | (44,000) |
| Interest cost | 156,000 | 120,000 |
| Total amount recognised in the Statement of Financial Activities | 687,000 | 545,000 |

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

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| At 1 September | 8,912,000 | 7,292,000 |
| Current service cost | 588,000 | 469,000 |
| Interest cost | 156,000 | 120,000 |
| Employee contributions | 57,000 | 57,000 |
| Benefits paid | (47,000) | (58,000) |
| Actuarial gains/(losses) - financial assumptions | (4,304,000) | 1,252,000 |
| Actuarial gains/(losses) - demographic assumptions | (28,000) | (107,000) |
| Actuarial gains/(losses) - experience gains/losses | 14,000 | (113,000) |
| At 31 August | 5,348,000 | 8,912,000 |

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

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

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| At 1 September | 3,249,000 | 2,583,000 |
| Employer contributions | 192,000 | 194,000 |
| Return on assets excluding amounts in net interest | (159,000) | 429,000 |
| Interest income | 57,000 | 44,000 |
| Employee contributions | 57,000 | 57,000 |
| Benefits paid | (47,000) | (58,000) |
| At 31 August | 3,349,000 | 3,249,000 |

26. Operating lease commitments

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

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Not later than 1 year | 1,161,476 | 924,968 |
| Later than 1 year and not later than 5 years | 4,640,701 | 3,667,090 |
| Later than 5 years | 2,882,670 | 3,978,924 |
| | 8,684,847 | 8,570,982 |

27. Members' liability

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

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28. Related party transactions

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

The following related party transaction took place during the year :

| | 2022 £ | 2021 £ |
|---|--------------|-----------|
| Jill Wilson, member (appointed 15/4/22) | | |
| Consultancy services provided during the year | 4,785 | - |
| | <u>4,785</u> | <u>-</u> |

The academy made the purchase at arm's length. The amount paid was lower than the market rate and this was determined following a market comparison exercise.