

Report of the Trustees and
Financial Statements For The Year Ended 31 August 2022
for
Armthorpe Shaw Wood Academy Limited

Kingswood Allotts Limited, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Armthorpe Shaw Wood Academy Limited

Contents of the Financial Statements
For The Year Ended 31 August 2022

| | Page |
|---|-------------|
| Reference and Administrative Details | 1 |
| Report of the Trustees | 2 to 7 |
| Governance Statement | 8 to 11 |
| Statement on Regularity, Propriety and Compliance | 12 |
| Trustees' Responsibility Statement | 13 |
| Report of the Independent Auditors | 14 to 15 |
| Independent Accountant's Report on Regularity | 16 |
| Statement of Financial Activities | 17 |
| Balance Sheet | 18 |
| Cash Flow Statement | 19 |
| Notes to the Cash Flow Statement | 20 |
| Notes to the Financial Statements | 21 to 35 |

Armthorpe Shaw Wood Academy Limited

Reference and Administrative Details
For The Year Ended 31 August 2022

| | |
|----------------------------------|---|
| MEMBERS: | K Woodstones K Kemp (resigned 14.7.2022) J T Gillis (resigned 14.7.2022) S Duffield (appointed 5.7.2022) P Crawley (appointed 14.7.2022) M Woodstones (appointed 1.9.2022) |
| TRUSTEES | K Woodstones (Chair) M Woodstones (Co-Vice Chair) (resigned 1.9.2021) S Duffield (Co-Vice Chair) (resigned 29.6.2022) M R Perry (Vice Chair) J Campbell (Executive Headteacher) (resigned 30.4.2022) N Parker-Watts (Executive Headteacher) (appointed 4.1.2022) A Foy (resigned 21.10.2022) T Simmons R Woodward (appointed 20.1.2022) C Scholes (appointed 20.1.2022) M Ridley (appointed 11.11.2021) M Tame (appointed 11.11.2021) P Carroll (resigned 1.9.2021) S Blakeley (appointed 20.1.2022) |
| SENIOR MANAGEMENT TEAM: | N Parker-Watts (Executive Headteacher) (appointed 4.1.2022) J Campbell (Executive Headteacher) (resigned 30.4.2022) A Horsefield (Assistant Headteacher) L Taylor (Assistant Headteacher) M Ridley (Business Manager) |
| REGISTERED OFFICE | Mere Lane Armthorpe Doncaster South Yorkshire DN3 2DG |
| REGISTERED COMPANY NUMBER | 08082204 (England and Wales) |
| AUDITORS | Kingswood Allotts Limited, Statutory Auditor Chartered Accountants Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU |
| BANKERS | The Co-Operative Bank PO Box 101 1 Balloon Street Manchester M60 4EP |

Armthorpe Shaw Wood Academy Limited

Report of the Trustees **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 period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal activity of the Charitable Company is the operation of Armthorpe Shaw Wood Academy (ASWA) to provide nursery and primary education for pupils between the ages of 4-11 at Mere Lane, Armthorpe, Doncaster. This is the primary object of the Academy Trust as set out in paragraph 4 of the Articles of Association of the Company Limited by Guarantee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Academy Trust's object is to advance for the public benefit education by establishing, maintaining, carrying on, managing, and developing a school offering a broad and balanced curriculum ("the Academy").

Vision Statement

Shaw Wood Academy - Inspire, Discover, Challenge

The Aims of Shaw Wood Academy

- To provide high quality education for all pupils, so that they may fulfil their roles as responsible citizens, in school and to the wider community.
- To encourage children to respect and value other cultures and beliefs and become caring, confident and educated members of a multi-faith, multi-cultural society.
- To encourage all children to welcome new challenges, look for solutions and celebrate their own and others' successes.
- To motivate and encourage children to become independent, confident learners.
- To provide a holistic, broad, balanced, relevant and challenging accessible curriculum in which pupils will be encouraged to reach their full potential.
- To develop confidence in 'trying' (mistakes don't matter, but how and what we learn from them does!).
- To work co-operatively with parents, carers and the local and wider community in order to provide the very best.

Objectives, Strategies and Activities

ASWA is an inclusive school providing a broad curriculum that considers children's varying learning styles and needs. Every child is expected to achieve his or her full potential and the school works very closely with parents/carers to achieve this. There are substantial pockets of deprivation within the school's catchment area and domestic violence, drug and alcohol abuse and poor parenting skills have a detrimental impact on the learning of a significant number of pupils. The school employs a highly effective Pastoral Team that works closely with families and external agencies to provide the best possible levels of care for children. We are continuing to work closely with children who are still catching up who had fallen behind during the pandemic.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities.

Armthorpe Shaw Wood Academy Limited

Report of the Trustees **For The Year Ended 31 August 2022**

STRATEGIC REPORT

Achievement and performance

Achievements

Following the pandemic, this year saw the re-introduction of the SATs tests for KS1 and KS2. Staff and children have worked hard to close the education gap following the extended absence in their education. Whilst we are meeting national average for combined score, our Maths and Writing results exceeded both national and local averages.

We have selected and begun to roll out a new phonics and reading scheme. This should further support the development of the children and close attainment gaps

Following the planned retirement of our incumbent executive headteacher we successfully recruited an experienced Headteacher who took up the post from January, officially appointed Chief Accounting Officer from 1st May 2022.

Trustees were previously informed of the outcome of the Ofsted inspection in January 2020 and the recommended areas for improvement. Whilst some of the Governing Body has changed, we will continue to look at outstanding improvements we need to make now we are moving away from pandemic driven issues.

Priorities for the coming academic year are:

1. Establishing systems to inform pupil progress meetings, interventions, and evaluations.
2. Establish a staffing & leadership structure that is fit for purpose that clarifies lines of accountability, including for subject leaders.
3. Develop the curriculum, starting with phonics, reading & EY.

Key Financial Performance Indicators

Trustee Meetings:

A departmental analysis of the company's accounts is prepared, the budget is monitored against income and expenditure and if needs be the budget is then amended accordingly.

Bank balances and management of funds are discussed together with implications to the reserved balances regarding any proposed capital works or revenue expenditure.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Armthorpe Shaw Wood Academy Limited

Report of the Trustees **For The Year Ended 31 August 2022**

STRATEGIC REPORT

Financial review

Financial position

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grant, the use of which is restricted to specific purposes and included within the Funding Agreement between the Secretary of State for Education and ASWA. The grants received from the DfE during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019) and the Academies Accounts Direction 2021 to 2022 such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2022 the Academy received income of £2,147K from the DfE in respect of General Annual Grant and other Government funding, £9K in the form of capital and maintenance grants. It also generated its own income of £231K.

Total expenditure for the period amounted to £2,994K which included £276K of depreciation on fixed assets and £221K of other expenditure in the fixed asset fund.

The net deficit for the period before actuarial gains arising from the Local Government Pension Scheme was £607K.

At 31 August 2022 the net book value of fixed assets was £765K and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy held total fund balances on 31 August 2022 comprising a surplus of £304K on restricted general funds, a surplus of £103K on unrestricted general funds and £765K on the fixed asset funds. The Local Government Pension Scheme (LGPS) was in deficit by £503K which is a decrease of £1,726K.

Investment policy and objectives

The Trustees have resolved to invest any funds available in a short term, low risk, bank deposit account.

Reserves policy

The Board of Trustees reviews the reserves level of the Academy Trust annually at the year end and as a part of its budget planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As part of its monitoring of in-year financial performance the Board of Trustees reviews the forecast impact on reserves and considers this as a part of its medium-term financial planning. During 2021/22 the Board of Trustees planned to establish a reasonable level of restricted general reserves at the year-end to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to lessen any budget shortfalls.

Under Accounting Standard FRS 102 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As of 31 August 2022, the deficit on this reserve amounted to £503K. It should be noted however that this does not present the Academy Trust with a current liquidity problem but would generally result in a cash flow effect in the form of an increase in employer pension contributions over several years.

The Academy aims to hold the equivalent of two months payroll costs as reserves, which is approximately £315K. The trust currently holds slightly more than this amount in reserves as the total free (general) reserves at the year-end was £407K.

The fixed asset fund represents the net book value of fixed assets plus unspent capital grants. This fund can only be realised from the sale of fixed assets.

Armthorpe Shaw Wood Academy Limited

Report of the Trustees **For The Year Ended 31 August 2022**

STRATEGIC REPORT

Principal risks and uncertainties

ASWA constantly monitors risks and uncertainties that arise from various economic and social factors.

The main risks and uncertainties at Shaw Wood are:

- Ongoing uncertainties around pupil numbers and the national trend of reduced children's numbers for the foreseeable future. The number of year groups not presently full severely affects the level of funding available to school
- Funding issues, particularly linked to the funding of the very high percentage of SEND children we have in school, increased cost of provision (rising costs of fuel and food) and the salary increases expected for teaching and support staff with no additional funding from the DfE impacting significantly on our ability to maintain staffing and balance the budget
- The school building is now aging, and there is a risk going forwards that the maintenance cost of the buildings and facilities will begin to increase. We are putting in place a rolling works programme to help plan this.

As with any large organisation uncertainties in relation to circumstances beyond our reasonable control are ongoing and unavoidable. Such acts such as fire, flood, criminal acts, IT failure, loss of buildings or estate or major plant failure pose potential risks.

The above uncertainties are monitored and addressed through the budget, development/succession planning, school improvement planning and curriculum design.

Risk management

The ASWA Trustees have a sub-committee structure supplemented with a diarised meeting structure, agenda and minutes and Head Teachers report which support a clear accountability framework.

The Trustees confirm that the major risks to which the Trust is exposed have been reviewed and work is ongoing to ensure all key assessed risks are properly mitigated and anticipated.

The Board of Trustees keeps under review the retention and appointment of staff, supporting the Leadership Team to ensure that Leadership and teaching staff receive appropriate remuneration, support, and development.

The risk management plan remains under regular review by the Finance and Business Management Committee, at least annually, and actions flowing from the review form part of the agenda for subsequent meetings. The risk management plan will be reported annually to the Board of Trustees.

Financial and risk management objectives indicators

Cash flow is monitored on a weekly basis. The pension deficit (LGPS) has not had any financial implications for the academy.

PLANS FOR FUTURE PERIODS

Our mission at Shaw Wood has always been to provide a world class educational experience for our pupils. Two successive years of Covid disruption, whilst not affecting the quality of our curriculum, has left many children with gaps in learning that need to be addressed.

The most obvious and important gaps are in the core subject areas, particularly writing. In working to address the issues of regression however, we must not dilute the quality of our curriculum in order to 'focus' more on key skills. The many visitors to school have always commented on the level of retention our children demonstrate because of the way their learning is structured. As we work therefore, to support children to make accelerated progress, we will do so through our broad, balanced and incredibly rich Challenge Curriculum.

In addition, we have a range of structured interventions matched to ability and need that will run for the 2022/23 academic year and beyond if required.

Armthorpe Shaw Wood Academy Limited

Report of the Trustees **For The Year Ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

Armthorpe Shaw Wood Academy Limited ('ASWA') was incorporated on 24 May 2012 and opened as an academy on 1 September 2012. The Academy Trust is a company limited by guarantee and a registered charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of ASWA are also the directors of the Charitable Company for the purposes of company law. The Articles of Association require the members of the Trust to appoint at least 6 Trustees to be responsible for the affairs of the Trust and the management of the Trust. The Charitable Company is known as Armthorpe Shaw Wood Academy Limited. Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page one.

Members' liability

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

Trustees' indemnities

As required by Chapter 7, Section 236 of the Companies Act, we disclose that every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the Academy Trust.

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 cover provides cover up to £10M on any one claim.

Method of recruitment and appointment or election of new trustees

ASWA has an independent, community spirited and skill centred approach to the appointments of Trustees. The Trustees where possible using skill set analysis and through careful appointment look to complement and extend the skill set of the existing board of trustees.

The Members may appoint up to ten trustees and via this method of member appointment ASWA ensures a diverse and balanced board of trustees.

Within this arrangement a minimum of two parent Trustees are to be appointed. Parent governors are required to have children at school and are elected by secret ballot. If no such ASWA parent is elected, a person who is a parent of a child of compulsory school age may be appointed.

Organisational structure

The aim of the management structure was to devolve responsibility to ensure appropriate focus on teaching and learning, while ensuring that the administration of the school was effectively conducted. The Leadership Team of the Academy is responsible for delivering the strategic direction provided by the Board of Trustees. Operational management from day to day is overseen by the Executive Head teacher and her Senior Leadership Team.

Policies and procedures adopted for the induction and training of trustees

Trustee training is taken seriously by ASWA. A specific budget is set aside for this purpose.

A governor induction and resource pack is made available to all new trustees and training opportunities are provided both on-line and through buy Doncaster.

New governors are encouraged to attend training events on a local regional and national basis. More experienced governors are provided with training to encourage development and incorporating succession planning.

ASWA also buys into the Governor E-Learning Portal (GEL), which provides a solid background for all new (and existing) governors and the Doncaster Council Clerking Service to provide advice and updates on procedure and policy matters. Governors also have access to The Key for School Governors, Educare and NGA online resources and training.

Armthorpe Shaw Wood Academy Limited

Report of the Trustees **For The Year Ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Arrangements for setting pay and remuneration of key management personnel

All staff trustees and members of the school senior leadership team are paid by the same method as all other members of staff. The Headteacher's pay is set by the trustees and renewed annually at the Headteacher's performance management review. All other key personnel are paid in accordance with their contract of employment and reviewed annually at the performance management review.

Related parties

There are no connected organisations or related parties. The Academy participates informally where appropriate in local networks operating within the pyramid and Local Education Authority area.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information in Schedule 2 of the Regulations. There were no relevant union officials at the Academy Trust during 1 September 2021 to 31 August 2022.

FUNDRAISING

The academy usually undertakes fundraising and over the last academic year we have continued to build on this as we have moved away from Covid restrictions. We work closely with our community to build relations. The academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

FUNDS HELD AS CUSTODIAN FOR OTHERS

Armthorpe Shaw Wood Academy Limited and its Trustees do not act as third party custodial trustees.

AUDITORS

In so far as the Trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24 November 2022 and signed on the board's behalf by:

.....
K Woodstones - Chair

Armthorpe Shaw Wood Academy Limited

Governance Statement **For The Year Ended 31 August 2022**

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Armthorpe Shaw Wood Academy Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board has formally met 5 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 |
|-------------------------------------|--------------------------|--------------------------|
| S Blakeley (appointed 20.1.2022) | 4 | 4 |
| J Campbell (resigned 30.4.2022) | 1 | 2 |
| S Duffield (resigned 29.6.2022) | 0 | 3 |
| A Foy (resigned 21.10.2022) | 1 | 5 |
| N Parker-Watts (appointed 4.1.2022) | 3 | 4 |
| M Perry (appointed 4.1.2022) | 5 | 5 |
| M Ridley (appointed 11.11.2021) | 5 | 5 |
| C Scholes (appointed 20.01.2022) | 4 | 4 |
| T Simmons | 3 | 5 |
| M Tame (appointed 11.11.2021) | 2 | 5 |
| K Woodstones (Chair) | 5 | 5 |
| R Woodward (appointed 20.01.2022) | 3 | 4 |

Over the last academic year we have appointed 3 new governors from the parent community. All of the new trustees bring additional skills which help to strengthen the board. We carried out a skills assessment for the board and put in place training for the next academic year including but not exclusively Performance Data, Ofsted, Chair Development and ongoing safeguarding. We have appointed a new headteacher and CEO in the last academic year and allowed time to review the current direction of the school with a view to school development plan for the next year.

Conflicts of Interest

The Academy keeps a register of interest for members, trustees and all staff members which is updated annually or if circumstances change. Trustees also declare interests at every meeting as a standard item on every agenda. The majority of members are not trustees with only the Chair of Governors acting as a member. The Academy ensures no member, trustee or member of staff has any influence in any transaction by the Academy in which they have declared an interest.

Governance Review

Shaw Wood Academy carried out a formal review of governance in 2021. The trustees reviewed the effectiveness of the governing body and reviewed the skills of trustees in comparison to the skill sets required by the academy. As a result of that review, money has been put aside in the 2022/23 budget for further training. The board has recruited new parent and staff governors this year to enhance the skills we have on the board. We have a vacancy outstanding for someone with educational experience.

The trustees carry out a review of the governing body on an ongoing basis to ensure the needs of the academy are being always met.

Armthorpe Shaw Wood Academy Limited

Governance Statement **For The Year Ended 31 August 2022**

Meetings

Effective oversight of funds has been maintained throughout the year with the five trustee meetings and three finance and business management committee meetings and management reports being circulated to the Co-Chair of Trustees monthly and other trustees at least six times a year.

The **Finance and Business Management Committee** is a sub-committee of the main governing body. Its purpose is to manage the Academy's resources and finances efficiently and effectively. Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|--------------------------|--------------------------|
| S Blakeley (appointed 20.1.2022) | 1 | 2 |
| J Campbell (resigned 30.4.2022) | 0 | 1 |
| S Duffield (resigned 29.6.2022) | 0 | 2 |
| A Foy (resigned 21.10.2022) | 0 | 3 |
| N Parker-Watts (appointed 4.1.2022) | 2 | 2 |
| M Perry | 3 | 3 |
| M Ridley (appointed 11.11.2021) | 3 | 3 |
| C Scholes (appointed 20.01.2022) | 1 | 2 |
| T Simmons | 1 | 3 |
| K Woodstones (Chair) | 3 | 3 |

In addition to the above the Academy has a **School Improvement Committee**. Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|--------------------------|--------------------------|
| S Blakeley (appointed 20.1.2022) | 1 | 1 |
| S Duffield (resigned 29.6.2022) | 0 | 1 |
| A Foy (resigned 21.10.2022) | 0 | 1 |
| N Parker-Watts (appointed 4.1.2022) | 1 | 1 |
| M Perry | 1 | 1 |
| M Ridley (appointed 11.11.2021) | 1 | 1 |
| C Scholes (appointed 20.01.2022) | 0 | 1 |
| M Tame (appointed 11.11.2021) | 1 | 1 |
| T Simmons | 0 | 1 |
| K Woodstones (Chair) | 0 | 1 |
| R Woodward (appointed 20.1.2022) | 1 | 1 |

Review of Value for Money

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

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

Recognising the responsibility of Armthorpe Shaw Wood Academy to achieve value for money from all its activities, however they may be funded. We are fully committed to the pursuit of economy, efficiency and effectiveness and seek to adopt good practice and incorporate value for money principles in all our activities.

Our aim is to ensure value for money is achieved in every possible area so expenditure can be focused on our primary area which is the education and wellbeing of our pupils.

Armthorpe Shaw Wood Academy Limited

Governance Statement **For The Year Ended 31 August 2022**

Review of Value for Money - continued

Equipment, materials and services will be deployed to provide pupils and staff with resources that support quality teaching and quality learning by:

- A high level of awareness and ownership of value for money in all functions and activities throughout Shaw Wood Academy in order to maximise the benefits to pupils whilst minimising costs;
- That all trustees and staff have responsibility for promoting value for money principles;
- Active consideration of value for money in the planning and delivery of Shaw Wood Academy Finance Manual, service and delivery methods and budget/ resource allocation.

Achieving value for money can be described in terms of the three 'E's - Economy, Efficiency and Effectiveness:

Economy - minimising the cost of resources for an activity ('doing things at the right price')

Efficiency - performing tasks with reasonable effort ('doing things the right way')

Effectiveness - the extent to which objectives are met ('doing the right things')

Having the right people is also an important aspect of ensuring value for money. Obtaining the best outcomes for pupils, within available resources, is the key to achieving value for money.

Procedures are in place for assessing the need and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. These include competitive tendering procedures, constantly challenging supplier charges where appropriate and then accepting best value quotes and purchasing from known, reliable suppliers. One example was a robust tendering exercise for the significant sums spent on rewiring the school.

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 charitable company 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 Armthorpe Shaw Wood Academy Limited for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 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 and Business Management Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have engaged the services of an independent external reviewer, L J Thorp to undertake a programme of work which includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. This option has been chosen because as it is considered to be the most appropriate to the size of the academy as well as most cost effective. L J Thorp prepares a report to the Board of Trustees on the operation of the systems and controls and on the discharge of the Board of Trustees' financial responsibilities and prepares a 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.

Armthorpe Shaw Wood Academy Limited

Governance Statement
For The Year Ended 31 August 2022

The Risk and Control Framework - continued

The areas reviewed included:

- Financial Governance
- Purchase orders and invoices
- Income recording and processing
- Payroll
- School meals
- Petty cash
- Fixed assets
- Bank reconciliations

No significant weaknesses were identified.

Review of Effectiveness

As Accounting Officer, 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 external auditor;
- the work of the internal reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Business Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 24 November 2022 and signed on its behalf by:

.....
K Woodstones - Chair

.....
N Parker Watts - Accounting Officer

Armthorpe Shaw Wood Academy Limited

Statement on Regularity, Propriety and Compliance
For The Year Ended 31 August 2022

As accounting officer of Armthorpe Shaw Wood Academy Limited I have considered my responsibility to notify the charitable company 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 charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academy Trust 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.

.....
N Parker Watts - Accounting Officer

24 November 2022

Armthorpe Shaw Wood Academy Limited

Trustees' Responsibility Statement **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 Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

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

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

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

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

Approved by order of the board of trustees on 24 November 2022 and signed on its behalf by:

.....
K Woodstones - Chair

Report of the Independent Auditors to the Members of Armthorpe Shaw Wood Academy Limited

Opinion

We have audited the financial statements of Armthorpe Shaw Wood Academy Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and Report of the Trustees.

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

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

Report of the Independent Auditors to the Members of Armthorpe Shaw Wood Academy Limited

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Yates BSc ACA (Senior Statutory Auditor)
for and on behalf of Kingswood Allotts Limited, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

28 November 2022

Independent Reporting Accountant's Assurance Report on Regularity to Armthorpe Shaw Wood Academy Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Armthorpe Shaw Wood Academy Limited during the period 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 Armthorpe Shaw Wood Academy Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Armthorpe Shaw Wood Academy Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Armthorpe Shaw Wood Academy Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Armthorpe Shaw Wood Academy Limited accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Armthorpe Shaw Wood Academy Limited's funding agreement with the Secretary of State for Education dated 4 September 2012 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 period 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academy Trust Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academy Trust Handbook
- Review of governance arrangements in accordance with the Academy Trust Handbook

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Reporting Accountant
Kingswood Allotts Limited
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

28 November 2022

Armthorpe Shaw Wood Academy Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 August 2022

| | | | | | 2022 | 2021 |
|---|-------|-------------------------------|------------------------------|---------------------------------|-------------------------|-------------------------|
| | Notes | Unrestricted fund £'000 | Restricted funds £'000 | Fixed asset fund £'000 | Total funds £'000 | Total funds £'000 |
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and capital grants | 3 | - | - | 9 | 9 | 648 |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 4 | - | 2,203 | - | 2,203 | 2,145 |
| Other trading activities | 5 | <u>30</u> | <u>145</u> | <u>-</u> | <u>175</u> | <u>81</u> |
| Total | | <u>30</u> | <u>2,348</u> | <u>9</u> | <u>2,387</u> | <u>2,874</u> |
| EXPENDITURE ON Charitable activities | | | | | | |
| Academy's educational operations | 7 | <u>19</u> | <u>2,478</u> | <u>497</u> | <u>2,994</u> | <u>3,072</u> |
| Total | | <u>19</u> | <u>2,478</u> | <u>497</u> | <u>2,994</u> | <u>3,072</u> |
| NET INCOME/(EXPENDITURE) | | 11 | (130) | (488) | (607) | (198) |
| Transfers between funds | 19 | <u>-</u> | <u>(59)</u> | <u>59</u> | <u>-</u> | <u>-</u> |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/(losses) on defined benefit schemes | 20 | <u>-</u> | <u>1,910</u> | <u>-</u> | <u>1,910</u> | <u>(231)</u> |
| Net movement in funds | | 11 | 1,721 | (429) | 1,303 | (429) |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>92</u> | <u>(1,920)</u> | <u>1,194</u> | <u>(634)</u> | <u>(205)</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>103</u> | <u>(199)</u> | <u>765</u> | <u>669</u> | <u>(634)</u> |

The notes form part of these financial statements

| <u>Balance Sheet</u> | | | |
|--|-------|-------------------|-------------------|
| <u>31 August 2022</u> | | | |
| | Notes | 2022 £'000 | 2021 £'000 |
| FIXED ASSETS | | | |
| Tangible assets | 12 | <u>765</u> | <u>1,007</u> |
| CURRENT ASSETS | | | |
| Stocks | 13 | 8 | 8 |
| Debtors | 14 | 228 | 249 |
| Cash at bank | | <u>362</u> | <u>831</u> |
| | | 598 | 1,088 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | (151) | (454) |
| | | <u> </u> | <u> </u> |
| NET CURRENT ASSETS | | <u>447</u> | <u>634</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,212 | 1,641 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 16 | (40) | (46) |
| PENSION LIABILITY | 20 | (503) | (2,229) |
| | | <u> </u> | <u> </u> |
| NET ASSETS/(LIABILITIES) | | <u>669</u> | <u>(634)</u> |
| FUNDS | 19 | | |
| Restricted funds: | | | |
| General fund | | 304 | 309 |
| Fixed asset fund | | 765 | 1,194 |
| Pension fund | | <u>(503)</u> | <u>(2,229)</u> |
| | | <u>566</u> | <u>(726)</u> |
| Unrestricted funds: | | | |
| General fund | | <u>103</u> | <u>92</u> |
| TOTAL FUNDS | | <u>669</u> | <u>(634)</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 24 November 2022 and were signed on its behalf by:

.....
K Woodstones - Chair

Armthorpe Shaw Wood Academy Limited

Cash Flow Statement
For The Year Ended 31 August 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|---|-------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>(442)</u> | <u>(280)</u> |
| Net cash used in operating activities | | <u>(442)</u> | <u>(280)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (34) | (17) |
| Capital grants from DfE/EFA | | <u>9</u> | <u>648</u> |
| Net cash (used in)/provided by investing activities | | <u>(25)</u> | <u>631</u> |
| Cash flows from financing activities | | | |
| New loans in year | | - | 48 |
| Loan repayments in year | | <u>(2)</u> | <u>-</u> |
| Net cash (used in)/provided by financing activities | | <u>(2)</u> | <u>48</u> |
| Change in cash and cash equivalents in the reporting period | | (469) | 399 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>831</u> | <u>432</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>362</u></u> | <u><u>831</u></u> |

The notes form part of these financial statements

Armthorpe Shaw Wood Academy Limited

Notes to the Cash Flow Statement
For The Year Ended 31 August 2022

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

| | 2022 £'000 | 2021 £'000 |
|--|---------------------|---------------------|
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | (607) | (198) |
| Adjustments for: | | |
| Depreciation charges | 276 | 273 |
| Capital grants from DfE/ESFA | (9) | (648) |
| Pension scheme finance costs | 39 | 33 |
| Pension scheme cost less contributions | 145 | 93 |
| Decrease/(increase) in debtors | 21 | (130) |
| (Decrease)/increase in creditors | <u>(307)</u> | <u>297</u> |
| Net cash used in operations | <u><u>(442)</u></u> | <u><u>(280)</u></u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.9.21 £'000 | Cash flow £'000 | At 31.8.22 £'000 |
|---------------------------------|--------------------|---------------------|---------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>831</u> | <u>(469)</u> | <u>362</u> |
| | <u>831</u> | <u>(469)</u> | <u>362</u> |
| Debt | | | |
| Debts falling due within 1 year | (2) | (4) | (6) |
| Debts falling due after 1 year | <u>(46)</u> | <u>6</u> | <u>(40)</u> |
| | <u>(48)</u> | <u>2</u> | <u>(46)</u> |
| Total | <u><u>783</u></u> | <u><u>(467)</u></u> | <u><u>316</u></u> |

The notes form part of these financial statements

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements **For The Year Ended 31 August 2022**

1. STATEMENT OF ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

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

In making their assessment the trustees have considered the liability on the Local Government Pension Scheme (LGPS) and the guarantee given by the Government that the pension scheme liabilities would be met by the Department for Education in the event of the academy trust closure and as disclosed in note 20.

Income

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

Grants

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

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

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

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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

2. ACCOUNTING POLICIES - continued

Donated fixed assets

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

The academy's land and buildings are on a 125 year lease from Doncaster Metropolitan Borough Council. No premium was paid and the rent is one peppercorn. The building was valued on conversion at depreciated replacement cost and is depreciated over the remainder of its expected life. Land was valued at the market value and is depreciated over the length of the lease.

Other fixed assets transferred on conversion were valued at original cost less depreciation to the date of conversion.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT

Charitable Activities

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

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

| | |
|-------------------------|---|
| Leasehold land | over 125 years, being the length of the lease |
| Inherited buildings | over 12 years, being the remainder of the life of the buildings at date of conversion |
| Furniture and equipment | 25% straight line |
| Computer equipment | 3 years straight line |

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.

Leased assets

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

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

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

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued **For The Year Ended 31 August 2022**

2. ACCOUNTING POLICIES - continued

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.

Stocks

Unsold stationery valued at the lower of cost or net realisable value.

Taxation

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

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

Fund accounting

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

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Liabilities

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

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

2. ACCOUNTING POLICIES - continued

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

There is a large actuarial gain this year due to the effects of the significant change in the discount rate outweighing the effects of lower asset returns and increased inflation assumptions.

The detailed assumptions for this and the prior year are disclosed in note 20.

Despite the current high inflationary environment, the CPI assumption has only increased from 2.8% to 3.05%.

The Accounting Standard prescribes quite narrowly how the inflation assumption should be derived from market value at the year-end date. Therefore the current period of high inflation is somewhat allowed for insofar as it is captured in long-term market expectations as at 31 August 2022, but is lower than the current annual rate of inflation.

Hence although inflation estimates are over the long term, if the current period of high inflation continues for a longer period than forecast in the 31 August 2022 assumptions, this will result in a future actuarial deficit.

3. DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|--------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Grants | <u>-</u> | <u>9</u> | <u>9</u> | <u>648</u> |

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

| | 2022 £'000 | 2021 £'000 |
|----------------|---------------|---------------|
| Capital grants | <u>9</u> | <u>648</u> |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|---|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant(GAG) | - | 1,646 | 1,646 | 1,547 |
| Other DfE/EFSA grants | | | | |
| Pupil Premium | - | 134 | 134 | 133 |
| UIFSM | - | 51 | 51 | 61 |
| Pension Grant | - | 7 | 7 | 60 |
| Teachers' pay grant | - | 3 | 3 | 21 |
| Other DfE/ESFA Grants | - | 55 | 55 | 18 |
| | <u>-</u> | <u>1,896</u> | <u>1,896</u> | <u>1,840</u> |
| Other Government grants | | | | |
| Local authority grants | - | 236 | 236 | 221 |
| | <u>-</u> | <u>236</u> | <u>236</u> | <u>221</u> |
| COVID 19 additional funding (DfE/ESFA) | | | | |
| Other DfE/ESFA funding | - | 15 | 15 | 10 |
| Catch up premium | - | - | - | 31 |
| | <u>-</u> | <u>15</u> | <u>15</u> | <u>41</u> |
| COVID 19 additional funding (non DfE/ESFA) | | | | |
| Coronavirus Job Retention Scheme | - | - | - | 10 |
| Other income from the academy's educational operations | <u>-</u> | <u>56</u> | <u>56</u> | <u>33</u> |
| | <u>-</u> | <u>2,203</u> | <u>2,203</u> | <u>2,145</u> |

The academy trust has been eligible to claim additional funding from government support schemes in response to continued impact of the COVID 19 outbreak. The academy received £15K funding for additional costs.

5. OTHER TRADING ACTIVITIES

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|-----------------------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Hire of facilities | 6 | - | 6 | 6 |
| Staff cover insurance | - | 27 | 27 | 24 |
| Sundry income | 24 | 118 | 142 | 51 |
| | <u>30</u> | <u>145</u> | <u>175</u> | <u>81</u> |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

6. EXPENDITURE

| | Non-pay expenditure | | | 2022 | 2021 |
|---|----------------------|-------------------|----------------------|----------------|----------------|
| | Staff costs £'000 | Premises £'000 | Other costs £'000 | Total £'000 | Total £'000 |
| Charitable activities | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 1,590 | 247 | 133 | 1,970 | 1,873 |
| Allocated support costs | <u>483</u> | <u>335</u> | <u>206</u> | <u>1,024</u> | <u>1,199</u> |
| | <u>2,073</u> | <u>582</u> | <u>339</u> | <u>2,994</u> | <u>3,072</u> |

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

| | 2022 £'000 | 2021 £'000 |
|-----------------------------|---------------|---------------|
| Auditors' remuneration | 7 | 7 |
| Other non-audit services | 1 | 2 |
| Depreciation - owned assets | 276 | 273 |
| Operating leases | <u>19</u> | <u>33</u> |

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|---------------|-----------------------------|---------------------------|------------------------------|------------------------------|
| Direct costs | 19 | 1,951 | 1,970 | 1,873 |
| Support costs | <u>-</u> | <u>1,024</u> | <u>1,024</u> | <u>1,199</u> |
| | <u>19</u> | <u>2,975</u> | <u>2,994</u> | <u>3,072</u> |

| | 2022 Total £'000 | 2021 Total £'000 |
|----------------------------------|------------------------|------------------------|
| Analysis of support costs | | |
| Support staff costs | 483 | 414 |
| Technology costs | 68 | 72 |
| Premises costs | 335 | 547 |
| Other support costs | 130 | 157 |
| Governance costs | <u>8</u> | <u>9</u> |
| Total support costs | <u>1,024</u> | <u>1,199</u> |

8. STAFF

a. Staff costs

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Wages and salaries | 1,446 | 1,410 |
| Social security costs | 123 | 120 |
| Operating costs of defined benefit pension schemes | <u>503</u> | <u>432</u> |
| | 2,072 | 1,962 |
| Agency staff costs | <u>1</u> | <u>7</u> |
| | <u>2,073</u> | <u>1,969</u> |

There were no staff restructuring costs during the year (2021: £Nil).

b. Non-statutory/non-contractual staff severance payments

No such payments were made in the year.

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

8. STAFF - continued

c. Staff numbers

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

| | 2022 | 2021 |
|----------------------------------|-----------|-----------|
| Teachers and educational support | 50 | 46 |
| Administration and support | 20 | 18 |
| Leadership and management | <u>4</u> | <u>4</u> |
| | <u>74</u> | <u>68</u> |

d. Higher paid staff

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

| | 2022 | 2021 |
|-------------------|----------|----------|
| £60,001 - £70,000 | <u>-</u> | <u>1</u> |

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £360,845 (2021: £369,035).

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received benefits from an employment with the academy trust. The Headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

J Campbell (Headteacher and trustee) (resigned 30.4.2022)
Remuneration £40,000 - £45,000 (2021: £65,000 - £70,000)
Employer's pension contributions £10,000 - £15,000 (2021: £15,000 - £20,000)

N Parker-Watts (Headteacher and trustee) (appointed 4.1.2022)
Remuneration £40,000 - £45,000
Employer's pension contributions £10,000 - £15,000

M K Ridley (Staff trustee) (appointed 11.11.2021)
Remuneration £40,000 - £45,000
Employer's pension contributions £0 - £5,000

M Tame (Staff trustee) (appointed 11.11.2021)
Remuneration £15,000 - £20,000
Employer's pension contributions £0 - £5,000

There were no trustees' expenses for travel and subsistence paid during the year ended 31 August 2022 (2021: £nil).

Other transactions

Other related party transactions involving the trustees are set out in note 23.

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

10. TRUSTEES' AND OFFICERS' INSURANCE

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £'000 | Restricted funds £'000 | Fixed asset fund £'000 | Total funds £'000 |
|---|-------------------------------|------------------------------|---------------------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and capital grants | - | - | 648 | 648 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | - | 2,145 | - | 2,145 |
| Other trading activities | <u>42</u> | <u>39</u> | <u>-</u> | <u>81</u> |
| Total | <u>42</u> | <u>2,184</u> | <u>648</u> | <u>2,874</u> |
| EXPENDITURE ON | | | | |
| Charitable activities | | | | |
| Academy's educational operations | <u>13</u> | <u>2,334</u> | <u>725</u> | <u>3,072</u> |
| Total | <u>13</u> | <u>2,334</u> | <u>725</u> | <u>3,072</u> |
| NET INCOME/(EXPENDITURE) | 29 | (150) | (77) | (198) |
| Transfers between funds | <u>-</u> | <u>(8)</u> | <u>8</u> | <u>-</u> |
| Other recognised gains/(losses) | | | | |
| Actuarial gains/(losses) on defined benefit schemes | <u>-</u> | <u>(231)</u> | <u>-</u> | <u>(231)</u> |
| Net movement in funds | 29 | (389) | (69) | (429) |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | <u>63</u> | <u>(1,531)</u> | <u>1,263</u> | <u>(205)</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>92</u> | <u>(1,920)</u> | <u>1,194</u> | <u>(634)</u> |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

12. TANGIBLE FIXED ASSETS

| | Leasehold land and buildings £'000 | Furniture and equipment £'000 | Computer equipment £'000 | Totals £'000 |
|-----------------------|---|--|--------------------------------|-----------------|
| COST | | | | |
| At 1 September 2021 | 3,156 | 363 | 89 | 3,608 |
| Additions | <u>-</u> | <u>27</u> | <u>7</u> | <u>34</u> |
| At 31 August 2022 | <u>3,156</u> | <u>390</u> | <u>96</u> | <u>3,642</u> |
| DEPRECIATION | | | | |
| At 1 September 2021 | 2,184 | 328 | 89 | 2,601 |
| Charge for year | <u>247</u> | <u>27</u> | <u>2</u> | <u>276</u> |
| At 31 August 2022 | <u>2,431</u> | <u>355</u> | <u>91</u> | <u>2,877</u> |
| NET BOOK VALUE | | | | |
| At 31 August 2022 | <u>725</u> | <u>35</u> | <u>5</u> | <u>765</u> |
| At 31 August 2021 | <u>972</u> | <u>35</u> | <u>-</u> | <u>1,007</u> |

13. STOCKS

| | 2022 £'000 | 2021 £'000 |
|----------------------|---------------|---------------|
| Books and stationery | <u>8</u> | <u>8</u> |

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £'000 | 2021 £'000 |
|--------------------------------|---------------|---------------|
| VAT recoverable | 23 | 36 |
| Prepayments and accrued income | <u>205</u> | <u>213</u> |
| | <u>228</u> | <u>249</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------|---------------|---------------|
| Other loans (see note 17) | 6 | 2 |
| Trade creditors | 20 | 24 |
| Taxation and social security | 27 | 29 |
| Other creditors | 31 | 33 |
| Accruals and deferred income | <u>67</u> | <u>366</u> |
| | <u>151</u> | <u>454</u> |
| Deferred income | 2022 £'000 | 2021 £'000 |
| Deferred income brought forward | 31 | 28 |
| Resources deferred in the year | 30 | 31 |
| Amounts released from previous years | <u>(31)</u> | <u>(28)</u> |
| Deferred income at 31 August 2022 | <u>30</u> | <u>31</u> |

Deferred income relates to funding received for free school meals in the first term of the 2022/2023 academic year.

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | 2021 |
|---------------------------|-----------|-----------|
| | £'000 | £'000 |
| Other loans (see note 17) | <u>40</u> | <u>46</u> |

17. LOANS

An analysis of the maturity of loans is given below:

| | 2022 | 2021 |
|---|-----------|-----------|
| | £'000 | £'000 |
| Amounts falling due within one year on demand: | | |
| Other loans | <u>6</u> | <u>2</u> |
| Amounts falling between one and two years: | | |
| Other loans - 1-2 years | <u>6</u> | <u>6</u> |
| Amounts falling due between two and five years: | | |
| Other loans - 2-5 years | <u>18</u> | <u>18</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments: | | |
| Other loans | <u>16</u> | <u>22</u> |

Other loans comprise a Salix loan of £36,220 and CIF loan £10,000 from the ESFA (Condition Improvement Fund). The Salix loan is provided on an interest free basis. Interest is payable at 1.92% per annum on the CIF loan. Both loans are repayable in equal annual instalments over the next 7 years.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2022 are represented by:

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total Funds £'000 |
|-----------------------------------|--------------------------------|--------------------------------------|--|----------------------|
| Tangible fixed assets | - | - | 765 | 765 |
| Current assets | 103 | 368 | 127 | 598 |
| Current and long term liabilities | - | (64) | (127) | (191) |
| Pension scheme liability | - | (503) | - | (503) |
| Total net assets | <u>103</u> | <u>(199)</u> | <u>765</u> | <u>669</u> |

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

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total Funds £'000 |
|-----------------------------------|--------------------------------|--------------------------------------|--|----------------------|
| Tangible fixed assets | - | - | 1,007 | 1,007 |
| Current assets | 92 | 440 | 556 | 1,088 |
| Current and long term liabilities | - | (131) | (369) | (500) |
| Pension scheme liability | - | (2,229) | - | (2,229) |
| Total net assets | <u>92</u> | <u>(1,920)</u> | <u>1,194</u> | <u>(634)</u> |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

19. MOVEMENT IN FUNDS

| | Balance 01.09.21 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance 31.08.22 £000 |
|-------------------------------------|-----------------------------|----------------|---------------------|--|-----------------------------|
| Restricted general funds | | | | | |
| General annual grant (GAG) | 286 | 1,646 | (1,592) | (59) | 281 |
| UISFM | - | 51 | (51) | - | - |
| Pupil Premium | - | 134 | (134) | - | - |
| Teachers pension grant | - | 7 | (7) | - | - |
| Teachers pay grant | - | 3 | (3) | - | - |
| Other ESFA grants | - | 55 | (55) | - | - |
| COVID 19 additional funding | - | 15 | (15) | - | - |
| Local authority grants | - | 236 | (236) | - | - |
| Other revenue | 23 | 201 | (201) | - | 23 |
| Pension reserve | (2,229) | - | (184) | 1,910 | (503) |
| | <u>(1,920)</u> | <u>2,348</u> | <u>(2,478)</u> | <u>1,851</u> | <u>(199)</u> |
| Restricted fixed asset funds | | | | | |
| Assets inherited on conversion | 820 | - | (209) | - | 611 |
| DfE/ESFA grants | 374 | 9 | (288) | 59 | 154 |
| | <u>1,194</u> | <u>9</u> | <u>(497)</u> | <u>59</u> | <u>765</u> |
| Total restricted funds | <u>(726)</u> | <u>2,357</u> | <u>(2,975)</u> | <u>1,910</u> | <u>566</u> |
| Unrestricted funds | <u>92</u> | <u>30</u> | <u>(19)</u> | <u>-</u> | <u>103</u> |
| Total funds | <u>(634)</u> | <u>2,387</u> | <u>(2,994)</u> | <u>1,910</u> | <u>669</u> |

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

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from ESFA and other government grants, which must be held for the continuing use of the academy, along with unspent grants for capital and major repairs purposes.

The balance on restricted general funds represents the balance of unspent General Annual Grant and restricted school fund income to be spent in future periods. The balance on unrestricted funds represents the unspent surplus from the local authority on conversion and unspent surpluses from other unrestricted activities. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Comparative information in respect of the preceding period as follows:

| | Balance 01.09.20 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance 31.08.21 £'000 |
|-------------------------------------|------------------------------|-----------------|----------------------|---|------------------------------|
| General annual grant (GAG) | 318 | 1,547 | (1,571) | (8) | 286 |
| UISFM | - | 61 | (61) | - | - |
| Pupil Premium | - | 133 | (133) | - | - |
| Teachers pension grant | - | 60 | (60) | - | - |
| Teachers pay grant | - | 21 | (21) | - | - |
| Other ESFA grants | - | 18 | (18) | - | - |
| COVID 19 additional funding | - | 51 | (51) | - | - |
| Local authority grants | - | 221 | (221) | - | - |
| Other revenue | 23 | 72 | (72) | - | 23 |
| Pension reserve | (1,872) | - | (126) | (231) | (2,229) |
| | <u>(1,531)</u> | <u>2,184</u> | <u>(2,334)</u> | <u>(239)</u> | <u>(1,920)</u> |
| Restricted fixed asset funds | | | | | |
| Assets inherited on conversion | 1,029 | - | (209) | - | 820 |
| DfE/ESFA grants | 234 | 648 | (516) | 8 | 374 |
| | <u>1,263</u> | <u>648</u> | <u>(725)</u> | <u>8</u> | <u>1,194</u> |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

19. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period - continued

| | Balance 01.09.20 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance 31.08.21 £'000 |
|-------------------------------|------------------------------|---------------------|-----------------------|---|------------------------------|
| Total restricted funds | <u>(268)</u> | <u>2,832</u> | <u>(3,059)</u> | <u>(231)</u> | <u>(726)</u> |
| Unrestricted funds | <u>63</u> | <u>42</u> | <u>(13)</u> | <u>-</u> | <u>92</u> |
| Total funds | <u><u>(205)</u></u> | <u><u>2,874</u></u> | <u><u>(3,072)</u></u> | <u><u>(231)</u></u> | <u><u>(634)</u></u> |

20. PENSION AND SIMILAR OBLIGATIONS

The charity'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 South Yorkshire 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 to the period ended 31 March 2019.

Contributions amounting to £30,978 were payable to the schemes at 31 August 2022 (2021: £32,475) and are included within creditors.

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £174,070 (2021: £174,272).

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

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

20. PENSION AND SIMILAR OBLIGATIONS - continued

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity 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 £182,000 (2021: £164,000), of which employer's contributions totalled £147,000 (2021: £134,000) and employees' contributions totalled £35,000 (2021: £30,000). The agreed contribution rates for 2022/23 are 17.1% for employers and between 5.5% and 6.8% for employees depending on scale rate.

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

The amounts recognised in the Balance Sheet are as follows:

| | Defined benefit pension plans | |
|---------------------------------------|--|-----------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Present value of funded obligations | (2,419) | (4,020) |
| Fair value of plan assets | <u>1,916</u> | <u>1,791</u> |
| | (503) | (2,229) |
| Present value of unfunded obligations | <u>-</u> | <u>-</u> |
| Deficit | <u>(503)</u> | <u>(2,229)</u> |
| Net liability | <u><u>(503)</u></u> | <u><u>(2,229)</u></u> |

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

| | Defined benefit pension plans | |
|--|--|-------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Current service cost | 292 | 224 |
| Net interest from net defined benefit asset/liability | 39 | 33 |
| Past service cost | - | - |
| Administration expenses | <u>-</u> | <u>3</u> |
| | <u>331</u> | <u>260</u> |
| Actual return on plan assets | <u><u>(32)</u></u> | <u><u>263</u></u> |

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

| | Defined benefit pension plans | |
|-------------------------|--|---------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Opening at 1 September | 4,020 | 3,262 |
| Current service cost | 292 | 224 |
| Employee contributions | 35 | 30 |
| Interest cost | 71 | 59 |
| Actuarial (gain) / loss | (1,974) | 468 |
| Benefits paid | <u>(25)</u> | <u>(23)</u> |
| | <u><u>2,419</u></u> | <u><u>4,020</u></u> |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|-------------------------|----------------------------------|---------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Opening at 1 September | 1,791 | 1,390 |
| Employer contributions | 147 | 134 |
| Employee contributions | 35 | 30 |
| Administration expenses | - | (3) |
| Actuarial gain / (loss) | (64) | 237 |
| Benefits paid | (25) | (23) |
| Interest on plan assets | <u>32</u> | <u>26</u> |
| | <u><u>1,916</u></u> | <u><u>1,791</u></u> |

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

| | Defined benefit pension plans | |
|--------------------------|----------------------------------|---------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Actuarial (losses)/gains | <u>1,910</u> | <u>(231)</u> |
| | <u><u>1,910</u></u> | <u><u>(231)</u></u> |

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

| | Defined benefit pension plans | |
|----------|----------------------------------|---------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Equities | 1,342 | 1,239 |
| Property | 172 | 154 |
| Bonds | 383 | 380 |
| Cash | <u>19</u> | <u>18</u> |
| | <u><u>1,916</u></u> | <u><u>1,791</u></u> |

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

| | 2022 | 2021 |
|---------------------------------------|-------|-------|
| Rate of increase in salaries | 4.05% | 4.05% |
| Discount rate for scheme liabilities | 4.25% | 1.70% |
| Inflation assumption (CPI) | 3.05% | 2.80% |
| Rate of increase for pensions payment | 3.05% | 2.90% |

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

| | | |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.6 | 22.5 |
| Females | 25.4 | 25.3 |
| Retiring in 20 years | | |
| Males | 24.1 | 24 |
| Females | 27.3 | 27.2 |

Armthorpe Shaw Wood Academy Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2022

20. PENSION AND SIMILAR OBLIGATIONS - continued

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme obligations are set out below:

| | 2022 | 2021 |
|--|-------|-------|
| | £'000 | £'000 |
| Salary increase +0.1% | +8 | +10 |
| Discount rate -0.1% | +59 | +95 |
| Mortality assumption - 1 year increase | +97 | +127 |
| CPI rate +0.1% | +52 | +97 |

21. CAPITAL COMMITMENTS

| | 2022 | 2021 |
|---|----------|------------|
| | £'000 | £'000 |
| Contracted but not provided for in the financial statements | <u>-</u> | <u>209</u> |

22. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

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

| | 2022 | 2021 |
|----------------------------|-----------|-----------|
| | £'000 | £'000 |
| Within one year | 24 | 15 |
| Between one and five years | <u>31</u> | <u>26</u> |
| | <u>55</u> | <u>41</u> |

23. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. 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 trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transaction:

M Woodstones, husband of K Woodstones, a trustee, was employed by the academy trust as a Teacher. M Woodstones' was paid within the normal pay scale for his role and received no special treatment as a result of his relationship to a trustee.

R Perry, wife of M Perry, a trustee, is employed by the academy trust as a Teaching Assistant. R Perry is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9 (2021: none).

24. LEGAL FORM

The trust is a private limited company incorporated in England and Wales and limited by guarantee. Its registered office Mere Lane, Armthorpe, Doncaster, DN3 2DG.

25. MEMBERS LIABILITY

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