

Company Registration Number: 07725629 (England & Wales)

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative details	1 – 2
Trustees' Report	3 – 12
Governance Statement	13 – 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 – 21
Independent Reporting Accountant's Report on Regularity	22 – 23
Statement of Financial Activities Incorporating Income and Expenditure Account	24 – 25
Balance Sheet	26 – 27
Statement of Cash Flows	28
Notes to the Financial Statements	29 – 56

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

Members

Mr D Milham
Mrs S Garrett (resigned as a Member 3 February 2021)
Mr A Golesworthy
Ms J Flynn
Mr R Macey
Mr F Stoddart (appointed on 19 May 2021)

Trustees

Mr D Milham (Chair, Finance and Resources Committee Member)
Mr A Golesworthy (Chair of Finance and Resources Committee Member)
Ms J Flynn (Vice Chair)
Ms R Coulson (Parent Governor – resigned on 31 July 2021)
Mr M Risley
Mrs S Garrett (Principal and Accounting Officer, Finance and Resources Committee Member)
Ms C Gower (Staff Governor)
Mrs R Fairs (Staff Governor)
Mr R Macey (resigned on 10 February 2021)
Mr M Duffy (Parent Governor – resigned on 23 September 2021)
Mrs C Hayward (Parent Governor – resigned on 26 November 2021)
Mr A Hodder (Parent Governor – appointed on 22 September 2020)
Mrs A du Plessis (Parent Governor – appointed 10 December 2020)
Mr M Lee (Finance and Resources Committee Member – appointed on 26 January 2021)
Mr M Partridge (Parent Governor – appointed on 29 April 2021)

Company registered number

07725629

Principal and registered office

Lees Court Road, Sheldwich, Faversham, Kent, ME13 OLU

Company secretary

Mrs J Linter (Finance Officer, Finance Committee Member)

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior Management Team

Mrs S Garrett (Headteacher)
Ms C Gower (Assistant Headteacher)
Mrs J Linter (School Business Manager, Finance Officer)

Independent auditors

Burgess Hodgson LLP, Camburgh House, 27 New Dover Road, Canterbury, Kent CT1 3DN

Bankers

Lloyds Bank, 49 High Street, Canterbury, Kent, CT1 2SE

Solicitors

Brachers LLP, Somerfield House, 59 London Road, Maidstone, Kent, ME16 8JH

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 2 to 11 serving a catchment area in Sheldwich, the surrounding villages and Faversham. It has a pupil capacity of 210 and had a roll of 216 in the school census on 7 October 2021 and 46 children on roll aged 2-4.

The school converted to a single academy trust on 1 September 2011 and so 2021 was the 10th academic year under this structure.

Structure, governance and management

a. Constitution

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

The Trustees of Sheldwich Primary School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Sheldwich Primary School Academy.

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

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member; such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

c. Governors' indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 8 Governors who are appointed by members
- staff Governors elected by employees of the Academy. The number of Staff Governors must not exceed one third of the total number of Governors
- up to 1 LA Governor if appointed by the Local Authority
- a minimum of 2 Parent Governors who are elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time he is elected.
- the Principal
- any additional or further Governors appointed by the Secretary of State
- there is both an internal and external induction process for new Governors.
- a self-review was carried out which identified the need for more of a skills based recruitment process which has now been addressed.
- ongoing online training is available along with the KCC Governor Support package.

Governors are appointed for a four year period.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The Academy has a leadership structure which consists of the governors, the Senior Leadership Team (SLT) and the Wider Leadership Team (WLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The SLT consists of the Headteacher, Assistant Headteacher and the School Business Manager. The SLT control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Headteacher, Finance Officer and Finance and Resources Committee are responsible for the authorisation of spending within agreed budgets. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a governor. The WLT consists of three managers; Curriculum Manager, Early Years and Key Stage 1 Manager and Key Stage 2 Manager.

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Structure, governance and management (continued)

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

The Governing Body delegates all decisions relating to the pay for members of the Senior Leadership Team to the Staffing and Pay sub-committee. The Terms of Reference for the Staffing and Pay Committee are detailed in the Pay and Reward Policy which states that they must undertake an annual pay review for all staff and reach decisions through the application of any relevant criteria measured by the Academy's performance appraisal process.

The Academy's teaching staff (including management) are members of the Teachers' Pension (TP) scheme and support staff (including management) are automatically opted into the Local Government Pension Scheme (LGPS). Rates of contribution from members and the Academy are calculated by TP and LGPS and reviewed on an annual basis.

h. Related Parties and other Connected Charities and Organisations

There are no related parties or sponsors which control or are controlled by Sheldwich Primary School, however there is a separate parent teacher association, Sheldwich County Primary School Parent Teacher Association (Charity no.1021211), which may from time to time contribute to the operations of the school.

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives and activities

The principal object and activity of the charitable company is the operation of Sheldwich Primary School to provide education and care for pupils of different abilities between the ages of 2 and 11 (previously 4 and 11).

In May 2016, The Department for Education approved the extension of the age range to include children aged 2 and 3. The Academy opened a pre-school to cater for these children in September 2016.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum);
- that it provides education for pupils of different abilities;
- and that it provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

The Aims of the Academy during the year ended 31 August 2021 are summarised below:

At Sheldwich Primary School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our School is a community in which children, staff and parents should be part of a happy and caring environment.

In order to achieve this, we will;

- Deliver the best curriculum, with an emphasis on the core subjects, while using a planned topic approach which builds on a child's knowledge and experience of the world;
- Provide a stimulating learning environment throughout the School;
- Look for excellence in all work;
- Foster a firm and consistent discipline;
- Encourage humour, sympathy, sensitivity, tolerance, independence, self-esteem and co-operation;
- Require children to develop respect, compassion and honesty in their relationships;
- Develop positive attitudes towards gender, non-violence and disability;
- Enable children to understand and make a contribution towards preserving and enhancing the physical environment;
- Ensure that children appreciate and value the multi-cultural society of both this and other countries;
- Develop a partnership which involves Parents and the community in the life of the School, and which also helps channel the talents everyone possesses towards the benefit of our children;
- Create good links with local pre-school groups, other primary schools and secondary schools;
- Provide opportunities for personal and professional growth for all who work in the School Community;
- Expect children to take a pride in attending Sheldwich Primary School.

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives and activities (continued)

a. Objects and aims

Key priorities for the year are contained in our School Development Plan which is available from the School Office and published on the school website. Improvement Focuses identified for this year (2021/22) include:

A Recovery Plan

To focus on the three strands of: pastoral care, tailored curriculum and routines and expectations on a tiered approach of: universal support, focused support and targeted support.

Quality of Education

To enable pupils, staff and parents to have access to high quality technology to support teaching and learning. To accelerate pupils' progress so that an even greater proportion of pupils attain at a high standard in mathematics.

Pupils to access outstanding+ lessons delivered through subject specialism teaching for foundation curriculum areas.

Personal Development

To further develop pupils' understanding of diversity and equality.

Behaviour and Attitudes

To teach children to be resilient in their relationships with friends and peers and to support the well-being of others.

Leadership and Management

To further develop a professional and collaborative relationship between Sheldwich, Graveney and Luddenham Primary Schools.

Subject leaders have a comprehensive knowledge of the curriculum across all age groups which they can discuss confidently and lead ambitiously.

To continue to raise the profile of well-being with all stakeholders.

Quality of Early Years Provision

To adopt and implement the new Early Years reforms.

Implement the Nuffield Early Language Intervention (NELI) programme.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Governors believe that the Academy's educational objective and aims of educating local primary school children are demonstrably to the public benefit.

Amongst the other benefits are;

- mentoring trainee teachers in partnership with Canterbury Christ Church University
- collaboration with local primary and secondary schools in respect of staff training
- Chair of Governors is a National Leader of Governance to support other local schools

Strategic report

Achievements and performance

a. Key performance indicators

Pupils at Sheldwich Primary School make excellent progress from their starting points by the time they leave at the end of Year 6. They reach standards that are above those reached by most pupils nationally.

Performance Data

Due to the COVID-19 pandemic examinations and data collections based upon Early Years Foundation Stage, Phonics Screening, Year 2 SATs and Year 6 SATs were all cancelled.

Pupils leave Sheldwich Primary School with the academic, social, teamwork and leadership skills necessary to thrive in Secondary School and to be well rounded individuals able to contribute to society in the future and develop successful careers. The school participates in a wide range of sporting activities and has achieved the 'Platinum School Games Kite Mark' in recognition of their sporting achievements and opportunities. This award has only been achieved by a handful of schools across the country.

Pupils have access to a wide range of sports at Sheldwich: football, netball, cricket, squash, handball, dodgeball, rounders, lacrosse, basketball, golf, archery, dance, tennis, athletics, cross country, hockey, multi sports, orienteering, gymnastics, American football, boxercise and tag rugby. There is a thriving chess community in the school.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Two members of staff are qualified to deliver the Forest School programme. The Forest School ethos fundamentally acknowledges individual learning processes by supporting the children at their own pace and following their lead as they explore a safe and stimulating environment full of sensory diversity and variability.

During the year the school has continued to research how to embed 'Nature's Principles of Harmony' into their teaching and learning. Following on from CPD sessions organised through The Prince's School of Traditional Arts there have also been webinars delivered by The Harmony Project linking health and wellbeing. Harmony is an innovative approach to education that puts creativity and sustainability at the centre, exploring the world from a local to global scale through the process of enquiry and engagement with the natural world. It helps children to explain, inspire and address curiosity about Earth and our responsibility to look after it.

The school has a thriving Breakfast (Early Birds) and After School Club (Night Owls). Additionally, the school runs a wide range of activities after school including: choir, football, art, chess, netball, tennis, tag rugby, infant agility, French, music technology, debating, sewing and gardening (due to COVID-19 restrictions clubs did not run for the whole year).

Ofsted Inspection Report

Following a Section 8 Monitoring visit by Ofsted on 10 July 2018 Sheldwich has continued to be deemed Outstanding. This builds upon the outcomes of the Ofsted Inspection on the 8/9 November 2012 whereby the Academy was first judged Outstanding in all areas:

Achievement of pupils:	Outstanding
Quality of teaching:	Outstanding
Behaviour and safety of pupils:	Outstanding
Leadership and management:	Outstanding
Overall effectiveness:	Outstanding

Comments made by Ofsted following Section 8 Monitoring visit:

You lead the school with passion and enthusiasm. Since the time of the last inspection you have been unwavering in your ambition to meet the needs of children and families in this rural community. The addition of the 'Little Hedgehogs' Nursery is particularly successful and parents appreciate the great start their children receive. One parent noted: The staff here are caring, compassionate and inspiring; a dream team.'

Pupils are remarkably well behaved, polite and enthusiastic. They rarely miss a day of school and show positive attitudes towards their learning in class. Pupils adore the wide range of clubs and activities they can participate in, such as chess and lacrosse. In class, pupils work with interest and drive. They enjoy the opportunity to discuss their thinking with friends yet are equally adept at working independently when it is time to knuckle down. As a result, pupils are highly productive and make great progress.

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Strategic report (continued)

Achievements and performance (continued)

You have thought carefully about making sure that the curriculum is lively and interesting and helps to prepare pupils exceptionally well for the next stage of their education. You use the abundant outdoor space to enhance pupils' learning. For example, when studying the Roman army, pupils in Year 4 cooked food around a fire pit and designed, built and used their own Roman shields. These first-hand experiences give pupils the opportunity to explore subjects in depth and think carefully about their learning.

Buildings and Grounds

The Academy is fortunate to occupy attractive buildings with good outdoor areas in the rural area of Sheldwich, about 2.5 miles south of Faversham just off the A251. The maintenance of the buildings is a high priority to provide a modern environment conducive for effective teaching and learning. The buildings and site are in a good condition except the original 1939 roof over the hall and kitchen – the school submitted a project for renewal of these roofs under the Condition Improvement Fund (CIF).

b. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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.

The governors have implemented a system to assess risks that the school faces in strategic and operational, physical, infrastructure, governance, staffing, pupils and finance. They have implemented systems in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

A Risk Register and Emergency Management and Business Continuity Plan are in place and reviewed regularly.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

a. Reserves policy

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

At 31 August 2021 the Academy had unrestricted reserves of £92,714 which is free to be used as we choose.

The Governors have determined that the appropriate level of free cash should be equivalent to four weeks expenditure, being approximately £101,000 based on these financial statements. This reserve policy allows the Academy sufficient working capital to cover any emergency repair work and any potential delays in receiving funding.

The deficit on the Local Government Pension Scheme reserve does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. Employer contributions are reviewed every three years in consultation with the scheme's administrators.

At 31 August 2021 the total funds comprised:

Unrestricted:	£92,714
Restricted:	
Fixed asset funds	£1,737,784
General	£57,656
Pension reserve	<u>(£953,000)</u>
Total	£935,154

b. Investment policy

There are no material investments held by the Academy.

c. Principal risks and uncertainties

The Governors have considered the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review (continued)

The major risks are:

- failure to successfully recruit and retain staff;
- changes to Government policy on Education Funding;
- loss of a key member of the Senior Leadership Team;
- impact of an uncontrollable event, e.g. fire or flood;
- school losing its excellent reputation.

Fundraising

Sheldwich Primary School PTA 'Supporters of Sheldwich' provides donations to Sheldwich Primary School. The PTA is a separate registered charity which is not controlled by the Trustees of Sheldwich Primary School.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its pupils get the best start to their education.

Funds held as custodian on behalf of others

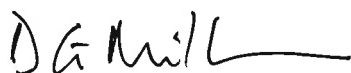
The trust does not hold funds as custodian trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16 December and signed on its behalf by:



.....
Mr D Milham
(Chair of Trustees)

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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 Sheldwich Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 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
Mr D Milham	5	5
Mr A Golesworthy	5	5
Ms J Flynn	5	5
Ms R Coulson	2	5
Mr M Risley	2	5
Mrs S Garrett	5	5
Ms C Gower	5	5
Mrs R Fairs	5	5
Mr R Macey	1	3
Mr M Duffy	0	1
Mrs C Hayward	0	1
Mr A J Hodder	5	5
Mrs A du Plessis	3	3
Mr M Lee	3	3
Mr M Partridge	1	1

During the year, Ms R Coulson, Mr R Macey and Mr M Duffy left and Mr A J Hodder, Mrs A du Plessis, Mr M Lee and Mr M Partridge were appointed.

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to monitor financial controls in accordance with the risk and control framework.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Golesworthy	4	4
Mr D Milham	4	4
Mrs S Garrett	4	4
Mr R Macey	2	4
Mr M Duffy	0	1
Mrs A du Plessis	2	2
Mr M Lee	2	2

Review of value for money

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

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

- The reputation of the Pre-School has grown over the past three years and there are now 46 families attending. This has generated income which is being used to improve the children's environment and Early Years' experience.
- Collaborating with other schools. The academy has a good relationship with other local single Academy Trusts and shares information regularly through formal collaboration meetings, visits and training opportunities.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sheldwich Primary School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- peer reviews with Hampton Primary School twice a year for internal scrutiny of the financial risk and systems
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

Review of effectiveness

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

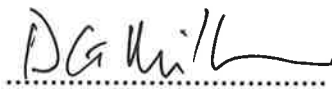
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development 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 audit committee and a plan to ensure continuous improvement of the system is in place.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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



Mr D Milham
Chair of Trustees

Date: 16 Dec 2021



Mrs S Garrett
Accounting Officer

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sheldwich Primary School I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that 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.



Mrs S Garrett

Accounting Officer

Date: 16 December 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

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



Mr D Milham

Chair

Date: 16 December 2021

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

Opinion

We have audited the financial statements of Sheldwich Primary School (the 'Academy Trust') for the year ended 31 August 2021 which comprise Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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 Auditors' Report thereon. Other information includes the Reference and Administrative details, Trustees' Report, incorporating the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities 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 Trustees' Report (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 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 our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Alexander Baker (Senior Statutory Auditor)
for and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Date: 20 DECEMBER 2011

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 30 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheldwich Primary School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Sheldwich Primary School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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

Burgess Hodgson LLP

Reporting Accountant
Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Date:

20 December 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted general funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	5					
Contributions to educational visits and activities		4,866			4,866	19,400
Other donations		6,421		6,781	13,202	11,520
Charitable activities	6	104,210	1,005,677		1,109,887	1,081,637
Other trading activities	7	92,106			92,106	65,304
Investments	8	22			22	68
Total income		207,625	1,005,677	6,781	1,220,083	1,177,929
Expenditure on:						
Raising funds		162,101			162,101	151,346
Charitable activities	10	11,051	1,110,316	54,222	1,175,589	1,051,519
Other expenditure		-	-	-	-	2,988
Total expenditure		173,152	1,110,316	54,222	1,337,690	1,205,853
Net income/(expenditure)		34,473	(104,639)	(47,441)	(117,607)	(27,924)
Transfers between funds	20	(17,451)	-	17,451	-	-
Net movement in funds before other recognised gains/(losses)		17,022	(104,639)	(29,990)	(117,607)	(27,924)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26		(47,000)		(47,000)	(95,000)
Net movement in funds		17,022	(151,639)	(29,990)	(164,607)	(122,924)

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

Reconciliation of funds:

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
Note	2021 £	2021 £	2021 £	2021 £	2020 £
Total funds brought forward	75,692	(743,705)	1,767,774	1,099,761	1,222,685
Net movement in funds	17,022	(151,639)	(29,990)	(164,607)	(122,924)
Total funds carried forward	92,714	(895,344)	1,737,784	935,154	1,099,761

The Statement of Financial Activities includes all gains and losses recognized in the year. The notes on pages 29 to 56 form part of these financial statements.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	1,737,784	1,761,774
		1,737,784	1,767,774
Current assets			
Debtors	18	45,750	13,743
Cash at bank and in hand		194,229	153,542
		239,979	167,285
Creditors: amounts falling due within one year	19	(89,609)	(39,298)
Net current assets		150,370	127,987
Total assets less current liabilities		1,888,154	1,895,761
Net assets excluding pension liability		1,888,154	1,895,761
Defined benefit pension scheme liability	26	(953,000)	(796,000)
Total net assets		935,154	1,099,761
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	20	1,737,784	1,767,774
Restricted general funds	20	57,656	52,295
		1,795,440	1,820,069
Restricted funds excluding pension liability	20	1,795,440	1,820,069
Restricted general funds pension reserve	20	(953,000)	(796,000)
Total restricted funds	20	842,440	1,024,069
Unrestricted funds	20	92,714	75,692
Total funds		935,154	1,099,761

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

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

The financial statements on pages 24 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr D Milham
Chair of Trustees



Mrs S Garrett
Accounting Officer

Company registration number: 07725629

Date: 16 December 2021

The notes on pages 29 to 56 form part of these financial statements.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	58,116	29,537
Cash flows from investing activities	23	(17,249)	(7,859)
Change in cash and cash equivalents in the year		40,687	21,678
Cash and cash equivalents at the beginning of the year		153,542	131,864
Cash and cash equivalents at the end of the year	24,25	194,229	153,542

The notes on pages 29 to 56 form part of these financial statements.

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

1. General information

Sheldwich Primary School is a private company limited by guarantee; incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

2. 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.

2.1 Basis of preparation of financial statements

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

Sheldwich Primary School meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

2.2 Fund accounting

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

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

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

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 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 fixed assets (excluding transfers on conversion or into the Academy Trust)

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

2.4 Expenditure

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

2.6 Interest receivable

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

2.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	- 125 years straight line
Leasehold property	- 50 years straight line
Fixtures and fittings	- 10 years 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.

2.8 Operating leases

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

2.9 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

2.10 Debtors

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

2.11 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.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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.

2.14 Cash at bank and in hand

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.15 Pensions

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

3. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

4. General annual grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2021.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

5. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Contributions to educational visits and activities	4,866	-	4,866	19,400
Subtotal	4,866	-	4,866	19,400
Donations	6,421	-	6,421	4,808
Capital grants	-	6,781	6,781	6,712
Subtotal	11,287	6,781	18,068	11,520
Total 2021	11,287	6,781	18,068	30,920

Of the total £30,920 received in 2020, £24,208 was received into unrestricted funds, and £6,712 was received into restricted fixed asset funds.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

6. Charitable activities - Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	795,000	795,000	781,164
Pupil Premium	-	23,743	23,743	22,428
Other DfE / ESFA revenue grants	-	112,684	112,684	98,983
		931,427	931,427	902,575
Other Income and Government Grants				
Pre-school income	104,210	-	104,210	146,370
Local Authority Funding	-	74,250	74,250	28,452
	104,210	74,250	178,460	174,822
Exceptional government funding				
Coronavirus exceptional support	-	-	-	4,240
Total 2021	104,210	1,005,677	1,109,887	1,081,637

Of the total £1,081,637 in 2020, £146,370 was received into unrestricted funds and £935,267 was received into restricted general funds.

In 2020, the academy trust was eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'exceptional government funding'. The additional costs are included in notes 9 and 10 below.

7. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE National Governance Leadership Programme	1,026	1,026	1,451
Other income	4,500	4,500	13,850
Pre-school income	60,740	60,740	23,708
After School club and breakfast club	25,840	25,840	26,295
Total 2021	92,106	92,106	65,304

In 2020, all income from other trading activities was allocated to Unrestricted funds.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

8. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	22	22	68

In 2020, all income from investments was allocated to Unrestricted funds.

9. Total expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising funds:					
Direct costs	-	-	8,514	8,514	5,065
Allocated support costs	153,587	-	-	153,587	146,281
Educational operations:					
Direct costs	668,329	-	82,541	750,870	702,645
Allocated support costs	272,618	41,359	110,742	424,719	348,874
Other expenditure	-	-	-	-	2,988
Total 2021	1,094,534	41,359	201,797	1,337,690	1,205,853

In 2020, of the total expenditure of £1,205,853, £179,349 was from Unrestricted funds, £971,907 was from Restricted general funds and £54,597 was from Restricted fixed asset funds.

In 2020, of the total expenditure of £1,205,853, £967,889 was attributable to staff costs, £27,653 to premises and £210,311 to other expenditure.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	11,051	1,164,538	1,175,589	1,051,519

11. Analysis of expenditure by charitable activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	750,870	424,719	1,175,589	1,051,519
Total 2020	702,645	348,874	1,051,519	

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

11. Analysis of expenditure by charitable activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Pension income	14,000	14,000	11,000
Staff costs	258,618	258,618	202,545
Technology costs	29,062	29,062	30,735
Premises costs	41,359	41,359	27,653
Other costs	71,830	71,830	62,991
Governance costs	9,850	9,850	13,950
Total 2021	424,719	424,719	348,874
Total 2020	348,874	348,874	

12. Governance costs

	2021 £	2020 £
Auditors' remuneration - Audit of the financial statements	5,900	6,040
Auditors' remuneration - Other services	3,950	7,910
	9,850	13,950

13. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	1,416	1,416
Depreciation of tangible fixed assets	54,222	51,609
Auditors' remuneration - Audit of the financial statements	5,900	6,040
Auditors' remuneration - Other services	3,950	7,910

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	761,105	682,713
Social security costs	57,992	51,536
Pension costs	261,437	222,640
	<u>1,080,534</u>	<u>956,889</u>
Defined benefit pension scheme finance cost	14,000	11,000
	<u>1,094,534</u>	<u>967,889</u>

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

There were no non-statutory/non-contractual severance payments arising in the year (2020: £Nil).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	9	11
Administration and support	23	26
Management	3	2
	<u>35</u>	<u>39</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

14. Staff (continued)

d. Higher paid staff (continued)

The above employee participated in the Teachers' Pension Scheme. Employer pension contributions made on behalf of this member of staff amounted to £17,974 (2020 - £17,382).

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 £228,173 (2020 - £211,861).

15. Trustees' remuneration and expenses

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

		2021 £	2020 £
Mrs S Garrett, Principal and Accounting Officer, Finance Committee Member	Remuneration	75,000 - 80,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Ms C Gower, Staff Governor	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mrs R Fairs, Staff Governor	Remuneration	35,000 - 40,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

16. Trustees' and Officers' insurance

The 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 on any one claim and the cost for the year ended 31 August 2021 is not separately identifiable as it is included in the total insurance cost of £4,185 (2020 - £4,284).

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

17. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	1,879,486	196,172	118,811	2,194,469
Additions		20,082	4,150	24,232
At 31 August 2021	1,879,486	216,254	122,960	2,218,701
Depreciation				
At 1 September 2020	245,334	68,681	112,680	426,695
Charge for the year	28,033	21,625	4,564	54,222
At 31 August 2021	273,367	90,306	117,244	480,917
Net book value				
At 31 August 2021	1,606,119	125,948	5,716	1,737,784
At 31 August 2020	1,634,152	127,491	6,131	1,767,774

Included in the cost of leasehold land and buildings is leasehold land at a valuation of £796,400 (2020: £796,400) which is being depreciated over the 125 year lease.

In the absence of valuations provided by the ESFA, buildings have been valued at an estimate based on similar sized academies in the surrounding area of the Trust. The leasehold property is held under a 125 year lease from 1 September 2011 and ending 31 October 2136 at £nil rent with Kent County Council.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

18. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	-	376
Other debtors	-	900
Prepayments and accrued income	44,961	11,714
VAT recoverable	789	753
	<u>45,750</u>	<u>13,743</u>

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	14,350	4,920
Other creditors	-	2,988
Accruals and deferred income	75,259	31,390
	<u>89,609</u>	<u>39,298</u>

	2021 £	2020 £
Deferred income		
Deferred income at 1 September	17,247	34,436
Resources deferred during the year	30,882	17,247
Amounts released from previous periods	(17,247)	(34,436)
Deferred income at 31 August	<u>30,882</u>	<u>34,436</u>

Deferred income includes amounts received from parents in respect of school trips, clubs and dinners in the 20201-22 year, as well as Universal Infant Free School Meal Income for 2021-22.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

20. Statement of funds

	Balance at 1 September 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2021
	£	£	£	£	£	£
Unrestricted funds						
General Funds	75,692	207,625	(173,152)	(17,451)	-	92,714
Restricted general funds						
General Annual Grant (GAG)	36,821	795,000	(789,812)	-	-	42,009
Pupil Premium	-	82,088	(82,088)	-	-	-
Other DfE / ESFA grants	15,474	54,339	(54,166)	-	-	15,647
Local Authority grants	-	74,250	(74,250)	-	-	-
Pension reserve						
	(796,000)	-	(110,000)	-	(47,000)	(953,000)
	(743,705)	1,005,677	(1,110,316)	-	(47,000)	(895,344)
Restricted fixed asset funds						
NBV of fixed assets	1,767,774	-	(54,222)	24,232	-	1,737,784
DfE/ ESFA capital grants	-	6,781	-	(6,781)	-	-
	1,767,774	6,781	(54,222)	17,451	-	1,737,784
Total Restricted funds	1,024,069	1,012,458	(1,164,538)	17,451	-	842,440
Total funds	1,099,761	1,220,083	(1,337,690)	-	(47,000)	935,154

**SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

20. Statement of funds (continued)

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Trust which fall outside the scope of its core activities. A transfer of £17,451 was made to restricted fixed assets for fixed assets purchased using unrestricted funds.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Trust. A transfer of £0 was made to the NBV of Fixed Asset fund to show capital additions bought using GAG funds.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE / ESFA Grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from Kent County Council as a contribution towards the cost of the Trust's revenue expenditure.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund. Transfers into this funds show capital additions bought using Unrestricted, Restricted and capital funds.

The DfE / ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

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

	Balance at 1 September 2019	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2020
	£	£	£	£	£	£
Unrestricted funds						
General Funds	33,416	235,950	(179,649)	(14,325)	-	75,692
Restricted general funds						
General Annual Grant (GAG)	7,935	781,164	(752,278)	-	-	36,821
Pupil Premium	-	67,714	(67,714)	-	-	-
Other DfE / ESFA grants	-	57,937	(42,463)	-	-	15,474
Local Authority grants	-	28,452	(28,452)	-	-	-
Pension reserve						
	(620,000)	-	(81,000)	-	(95,000)	(796,000)
	(612,065)	935,267	(971,907)	-	(95,000)	(743,705)
Restricted fixed asset funds						
NBV of fixed assets	1,801,334	-	(51,609)	18,049	-	1,767,774
DfE/ ESFA capital grants	-	6,712	-	(6,712)	-	-
	1,801,334	6,712	(51,609)	14,325	-	1,767,774
Total Restricted funds	1,189,269	941,979	(1,026,504)	14,325	-	842,978
Total funds	1,099,761	1,193,221	(1,310,290)	-	(95,000)	1,099,761

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Restricted general funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	1,737,784	1,737,784
Current assets	154,923	85,056	-	239,979
Creditors due within one year	(62,209)	(27,400)	-	(89,609)
Defined benefit pension scheme liability	-	(953,000)	-	(953,000)
Total	92,714	(895,344)	1,737,784	935,154

Analysis of net assets between funds - prior period

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	1,767,774	1,767,774
Current assets	114,990	52,295	-	167,285
Creditors due within one year	(39,298)	-	-	(39,298)
Defined benefit pension scheme liability	-	(796,000)	-	(796,000)
Total	75,692	(743,705)	1,767,774	1,099,761

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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

	2021 £	2020 £
Net expenditure for the period (as per Statement of Financial Activities)	(117,607)	(27,924)
Adjustments for:		
Depreciation charges	54,222	51,609
Capital grants from DfE and other capital income	(6,781)	(6,712)
Investment income	(22)	(3,478)
Defined benefit pension scheme cost less contributions payable	96,000	70,000
Defined benefit pension scheme finance cost	14,000	11,000
(Increase)/decrease in debtors	(32,007)	79,968
Increase/(decrease) in creditors	50,311	(144,926)
Net cash provided by/ (used in) operating activities	58,116	29,537

23. Cash flows from investing activities

	2021 £	2020 £
Investment income	22	3,478
Purchase of tangible fixed assets	(24,232)	(18,049)
Capital grants from DfE Group	6,781	6,712
Net cash (used in)/provided by investing activities	(17,429)	7,859

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	194,229	153,542
Total cash and cash equivalents	194,229	153,542

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	153,542	40,687	194,229
	<u>153,542</u>	<u>40,687</u>	<u>194,229</u>

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

26. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £96,000 (2020 - £93,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £85,000 (2020 - £77,000), of which employer's contributions totalled £66,000 (2020 - £60,000) and employees' contributions totalled £19,000 (2020 - £17,000). The agreed contribution rates for future years are 21.0 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.30
Inflation assumption (RPI)	3.20	3.10

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(46)	(38)
Discount rate -0.1%	48	39
Mortality assumption - 1 year increase	86	66
Mortality assumption" 1 year decrease	(82)	(63)

The Academy Trust's share of the assets in the scheme was:

	2021	2020
	£	£.
Equities	749,000	604,000
Gilts	6,000	6,000
Other bonds	159,000	120,000
Property	118,000	102,000
Cash	33,000	28,000
Absolute return fund	80,000	71,000
Total market value of assets	1,145,000	931,000

The actual return on scheme assets was £139,000 (2020 - £63,000).

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(162,000)	(130,000)
Past service cost	-	-
Interest income	14,000	16,000
Interest cost	(28,000)	(27,000)
Total amount recognised in the Statement of Financial Activities	(76,000)	(140,000)

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

	2021 £	2020 £
At 1 September	1,727,000	1,435,000
Current service cost	162,000	130,000
Interest cost	28,000	27,000
Employee contributions	19,000	17,000
Actuarial losses	171,000	127,000
Benefits paid	(9,000)	(9,000)
Past service costs	-	-
At 31 August	2,098,000	1,727,000

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

	2021 £	2020 £
At 1 September	931,000	815,000
Interest income	14,000	16,000
Actuarial gains	124,000	32,000
Employer contributions	66,000	60,000
Employee contributions	19,000	17,000
Benefits paid	(9,000)	(9,000)
At 31 August	1,145,000	931,000

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2021 £	2020 £
Defined benefit pension scheme liability brought forward	796,000	620,000
Defined benefit pension scheme cost less contributions payable	96,000	70,000
Defined benefit pension scheme finance cost	14,000	11,000
Actuarial losses/(gains)	47,000	95,000
Defined benefit pension scheme liability carried forward	953,000	796,000

The amounts recognised in the Balance Sheet are as follows:

	2021 £	2020 £
Present value of the defined pension scheme obligation	(2,098,000)	(1,727,000)
Fair value of the defined benefit pension scheme assets	1,145,000	931,000
Total	(953,000)	(620,000)

27. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Within 1 year	1,416	1,416
Between 1 and 5 years	2,360	3,658
Total	3,776	5,074

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	1,416	1,416

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

28. Related party transactions

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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In entering into the above transactions the Academy Trust has complied with the requirements of the ESFA's Academies Financial Handbook and the Academy Trust's financial regulations and procurement procedures.

29. Members' liability

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