

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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BARWELL CHURCH OF ENGLAND ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members The Diocese of Leicester Educational Trust
Reverend Philip Watson
Maggie Spence
Pauline Clements
Paul Bromiley

Trustees Maggie Spence, Chair¹
Pauline Clements, Vice Chair¹
Jason Browning Williams¹
David Coopey¹
Victoria Newman, Head Teacher¹
Reverend Philip Watson
Rachael Peace
Paul Bromiley
Alex Cole
Daniel Green

¹ Finance and audit sub committee

Company registered number 08247528

Company name Barwell Church of England Academy

Principal and registered office High Street
Barwell
Leicestershire
LE9 8DS

Senior management team Victoria Newman, Head Teacher
Lisa Stewart, Deputy Head

Independent auditors Magma Audit LLP
Chartered Accountants
Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicester
LE7 4UZ

Bankers Lloyds Bank Plc
23 The Borough
Hinckley
Leicester
LE10 1NL

Solicitors Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

BARWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The Trust operates an academy for pupils aged 7 to 11 serving a catchment area in Barwell. It has a pupil capacity of 268 and had a roll of 242 in the school census on 7 October 2021.

Structure, governance and management

• Constitution

The Academy Trust is a company limited by guarantee and was incorporated by a Memorandum of Association. The Academy has exempt charity status and its principal regulator is the Department for Education (DfE).

The Academy is constituted under a Memorandum of Association dated 10 October 2012.

The charitable company was incorporated on 10 October 2012. The school converted to Academy status on 1 November 2012 when its operations, assets and liabilities were transferred to the Academy from the Local Authority.

The Governors act as the Trustees for the charitable activities of Barwell Church of England Academy Trust and are also directors of the charitable company for the purposes of company law. The charitable company is known as Barwell Church of England Academy. Details of the Trustees who served through the year, except as noted, are included in the Reference and Administrative Details.

• Members' liability

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

• Trustees' indemnities

Since the incorporation of the charitable company on 10 October 2012, the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The cover under the policy is £5 million and in the period under review the sum of £14 was paid.

• Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and coopted under the terms of the Memorandum of Association.

The Members may appoint Staff Trustees through such process as they may determine. The Local Authority (LA) may appoint the LA Trustee. Parent Trustees shall be elected by parents of registered pupils at the Academy. The Trustees may appoint up to 2 coopted Trustees.

The Trustees and Members are entitled to nominate one or more Trustees and the Chair talks to the nominee. Foundation Trustees are appointed by Leicester Diocesan Board. Staff Trustees are appointed by Staff election..

BARWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

● **Policies adopted for the induction and training of Trustees**

Induction for new Trustees is tailored according to their experience and background. External Trustees are provided with information about the Academy by the clerk to Trustees with an induction pack. New Trustees requiring guidance on the roles of Trustees are provided with external training and through internal meetings and discussion with staff and other Trustees.

Other training for Trustees is provided as required through the Trustee training programme that is purchased through Leicestershire County Council.

● **Organisational structure**

Trustees are responsible for:

- Setting the vision, ethos and objectives for the Academy
- Approving strategic plans and monitoring and evaluating the performance of the Academy against these plans and objectives
- Approving the annual budget and ensuring the solvency of the Academy
- Ensuring that appropriate arrangements are in place to enable the Academy to meet statutory responsibilities
- Providing support and challenge to the leadership team of the Academy

To discharge their responsibilities effectively, the Governing Body have established a Finance Committee and all governors have an individual responsibility and a timetable of monitoring events.

The Senior Leadership Team is responsible to the Trustees for the implementation and monitoring of plans and policies, pupil safeguarding and education and the day to day operation of the Academy. They also provide advice to Trustees on a range of educational and business management functions.

The Trustees have approved a scheme of financial delegation that allows financial responsibilities to be delegated within appropriate limits to facilitate the effective running of the Academy.

● **Arrangements for setting pay and remuneration of key management personnel**

The Academy follows the national Teachers Pay and Conditions for teachers' pay and set pay increases as agreed through national pay deals and incremental increases following performance review meetings. For support staff we follow Leicestershire local government pay scales and implemented locally agreed pay increases.

● **Related parties and other connected charities and organisations**

The Academy works closely with its feeder infant school (Barwell Infant School) to ensure the pupils involved benefit from a smooth transition from Key Stage 1 to Key Stage 2. The Academy also works closely with its receiving high schools throughout the Hinckley area to ensure that pupils benefit from smooth transition from Key Stage 2 to Key Stage 3. The Academy works closely with the Earl Shilton and Barwell family of schools, working to improve standards of teaching and therefore learning for all pupils, monitoring performance and aiming for continuing excellence.

The Academy is a member of a Teaching School Alliance - TELA, benefiting from a range of collaborative professional development opportunities, and providing training and support for schools within the Alliance.

BARWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

• Objects and aims

Our vision is to:

Love thy neighbour in a flourishing school community. A community with Jesus' protective love at heart, celebrating diversity with the highest expectations for all, both academically and behaviourally. A community that puts physical and mental wellness at its heart. A loving, knowledgeable community building a rich, challenging curriculum for all. Our compass acts as our moral guide and direction giver. Safeguarding needs to permeate every aspect of everything we do and our Christian Values should light our path so that our decisions and relationships are firmly rooted in Christian ideology. Children need not to be disadvantaged by their attendance and behaviour, or the behaviour of others, by having the highest expectations of them. We need to be knowledgeable about who is vulnerable and what barriers there are to their success. Interventions, both academic and pastoral, need to be focused, measurable and impactful.

Our curriculum needs to enable children to know more, to understand more and do more. In order to do this, we need to be extremely well informed about pedagogic subject knowledge and build a curriculum based, not only on sound research but knowing what works for our school. Vocabulary and books need to be at the heart of learning and the curriculum needs to be strategically planned so that deliberate links are made within learning across subjects, within year groups and within subjects across the key stage so that key ideas are revisited. There needs to be a consistent approach whilst still allowing for an understanding of how different subjects need to be organised in order to prepare our children for their next stage of education and also building on their previous learning in Key Stage 1. We must have the highest expectations that all children can reach national expectations or above whilst also building children's cultural capital so they can be successful throughout their lives. In order to be successful in these aims, we need to be explicit in knowing where we want children to get to at key points in their learning and use assessment to inform our planning.

In order for our school to flourish, for our community to flourish, our work needs to be focused on more than academic outcomes at the end of KS2. The mental and physical wellness of our whole school community should be given the highest priority. Our children need to be prepared for life in modern Britain and become active global citizens. They need the strength of character to be successful in their lives, stay safe on and offline, have healthy relationships and be able to resolve differences amicably and have respect for others.

As a school community, we should celebrate diversity and make sure that Everyone's Welcome in our school family. The quality of teaching must be excellent across the whole school and as a school community it is our responsibility to have an environment which allows staff to perform at their best. Professional growth for all, that ensures we are outward facing and passionate about learning, is pivotal but should not be at the expense of staff's wellbeing due to workload.

Our finances must be extremely well managed to ensure that we provide the education that our children deserve, particularly our vulnerable children, and that they have a physical environment that aids their learning in a comfortable, well equipped and safe school. Leadership at all levels, should be focused on identifying our strengths and priorities for continuous improvement so that all understand the journey we are travelling on together and stay true to our values and core vision. In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting pupils to the Academy and that the curriculum should comply with the substance of the National Curriculum ensuring that the broad and balanced curriculum includes English, Mathematics and Science.

BARWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

● **Objectives, strategies and activities**

The Academy's improvement plan is reviewed annually by the Trustees. The current plan has targets in the following areas:

- The quality of education
- Behaviour and attitudes
- Personal development
- Leadership and management

● **Public benefit**

The Trustees note and acknowledge their responsibilities for the advancement of education for public benefit as set out in the guidance from the Charity Commission. The Articles of Association and Funding Agreement provide details of the structure for the day to day operation of the Academy in accordance with these guidelines.

We have also advanced the education for public benefit by:

- Providing a programme of extra curricular activities for pupils
- Making our site available for adult learning activities at nominal cost
- Making our playing field facilities available outside of school hours for community sport and recreational activities.

The Academy's Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

Strategic report

Achievements and performance

● **Key performance indicators**

- Pupils continue to make at least good and often outstanding progress throughout each year group
- Pupils are tracked throughout the year and pupil progress meetings are held termly to track progress
- Year group leaders are responsible for the progress of all children in their year group
- All subject leaders monitor the progress of groups of children in their subjects
- At the end of KS2 outcomes are in line with national outcomes or higher
- Progress across KS2 is in line with national outcomes
- We are working hard to close the gap between disadvantaged children and non disadvantaged
- Social and emotional needs are exceptionally well met

In 2021/2022 the Academy carried forward a surplus into 2022/23.

● **Going concern**

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

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

Strategic report (continued)

Financial review

● **Financial review**

The Academy had a net increase in funds for the year ended 31 August 2022 of £74,741 including fixed asset movements but excluding pension reserve movements. As at 31 August 2022 the Academy held £221,108 of unrestricted reserves plus £150,693 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £371,801.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £143,000 at 31 August 2022 and a fixed asset reserve of £512,507.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 10% of the annual budget, being approximately £130,000.

Actual free reserves plus unspent GAG as at 31 August 2022 were £371,801, being approximately £242,000 higher than the target level set by the Trustees. This excess will be used to support future projects including funding a number of small year groups coming through the school. Cash at bank at 31 August 2022 was £233,503 higher than total available reserves due principally to income received in advance of the 2022/23 academic year.

At 31 August 2022 the Academy's fixed asset reserve of £512,507 represented funds which could only be realised if the assets were sold plus unspent funds.

The only reserve in deficit at the year end was the pension reserve (deficit of £143,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **Investment policy**

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk. Available rates are reviewed from time to time and where returns are judged sufficient to more than offset the administrative cost of managing deposit funds, such accounts may be used.

BARWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

● **Principal risks and uncertainties**

The principal risk facing the Academy is insufficient demand for Academy's services leaving it unsustainable. This would lead to a decrease in the grant funding received and the necessity to reorganise the Academy to ensure it could remain with a balanced budget or a plan to get out of a deficit. Pupil numbers are monitored and a 5 year plan has been drawn up to ensure the situation is considered fully by the senior leadership team and Trustees. A comprehensive risk register is in place and is monitored regularly by the Trustees to ensure that risks are treated or tolerated depending on the urgency of the risk.

At Barwell Church of England Academy more than 95% of revenue income is grant driven and therefore there is minimal risk to credit, cash flow and liquidity. The greatest risk is a reduction in this grant funding due to legislative changes or to an unforeseen drop in pupil numbers that would lead to a decrease in funding received. A comprehensive risk register with actions is in place to monitor such risks.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A comprehensive risk register with actions is in place to monitor such risks. This will be reviewed regularly and more formally annually.

At 31 August 2022 the pension deficit on the Local Government Pension Scheme stood at £143,000 (2021 - £1,471,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Fundraising

Fundraising has been limited to small events held to raise funds for external charities, such as Race For Life and Leicester Children's Holidays. These funds are paid across in full to the nominated charities.

Plans for future periods

We shall continue to bid for grant funding from the CIF (Condition Improvement Fund) to ensure that our buildings remain well maintained and fit for purpose.

We expect key members of staff to be involved in providing support beyond the school. The funds generated through this work will be ploughed back into the staffing budget to ensure that we have the capacity to manage the absence of senior team members without detriment to children's education or staff well being and morale.

Funds held as custodian on behalf of others

There are no assets and arrangements for safe custody and segregation where the Academy Trust or its Trustees are acting as custodian trustee.

BARWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:

Maggie Spence
Chair of Trustees

Victoria Newman
Accounting Officer

BARWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Barwell Church of England Academy 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 Barwell Church of England Academy 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 3 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
Maggie Spence, Chair	3	3
Pauline Clements, Vice Chair	3	3
Jason Browning Williams	3	3
David Coopey	1	3
Victoria Newman, Head Teacher	3	3
Reverend Philip Watson	3	3
Rachael Peace	3	3
Paul Bromiley	3	3
Alex Cole	2	3
Daniel Green	3	3

Changes in the composition of the Board are indicated on page 1 of the financial statements and all were of a routine nature.

The Board's work was typical for a junior academy trust of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with by the Trustees during their work.

Conflicts of interest

As a trust we have a number of processes in place to manage conflicts of interest. These include:

- Maintaining an up-to-date and complete register of interests
- Declaring any conflicts or declarations of interest at the start of each FGB or committee meeting
- Ensuring complete transparency of personal relationships when recruiting governors or employing personnel

Governance reviews

The findings of the annual review carried out during the year to 31 August 2022 were that no changes were necessary. The Board of Trustees intends to conduct another self evaluation review during the forthcoming year. Challenges encountered have been of routine nature concerning finances, staff management and educational standards.

BARWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The quality of the data flowing to the Board is considered acceptable by Trustees based on their experience, their own observations, enquiries and judgements.

Frequency of meetings

Although there have been less than 6 Full Board meetings within the year, the monthly finance report will be shared with the Chair of Governors and the management accounts will be shared with the Full Governing Body (FGB) 6 times a year and via email to other members.

The Finance Committee is a sub committee of the Governing Body. Its purpose is to (in consultation with the Headteacher and Business Manager) draft the first formal budget plan of the financial year, establish and maintain an up to date 3 year financial plan, monitor and forecast relevant income and expenditure for all areas (having a whole school perspective on the budget) reporting significant anomalies, check the budget for accuracy and completeness, ensure the school operates within its Financial Regulations and the direction of the Education and Skills Funding Agency, annually review charges, remissions and expenses policies, to approve and make decisions in respect of service agreements, approve and make decisions on expenditure following recommendations from other committees, review and update policies relating to financial matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Maggie Spence	3	3
David Coopey	2	3
Victoria Newman	3	3
Jason Browning Williams	3	3
Pauline Clements	3	3

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by:

- Benchmarking against similar schools
- Monitoring costs and income against school budget

BARWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

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 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 Barwell Church of England Academy for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

The Board of Trustees has decided to employ Leicestershire County Council as internal auditor. This option has been chosen because:

They are honest and fair and exhibit trust, independence and objectivity in all work that they do. They possess the following qualities:

1. Qualified people
2. Have Industry experience.
3. Good quality assurance processes
4. Reasonable fees
5. Excellent reputation as audit firm
6. Ongoing support for decision-making and growth

They are flexible in their work and an excellent understanding of working within the constraints of a school environment

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

- testing of payroll systems
- testing on purchase systems
- testing on control accounts and bank reconciliations

BARWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

The latest internal audit visit was March 2022. No material control issues were identified as a result of the internal auditor's review work.

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:

- the work of the internal auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:

Maggie Spence
Chair of Trustees

Victoria Newman
Accounting Officer

BARWELL CHURCH OF ENGLAND ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Barwell Church of England Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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

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

Victoria Newman
Accounting Officer
Date: 6 December 2022

BARWELL CHURCH OF ENGLAND ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:

Maggie Spence
Chair of Trustees

BARWELL CHURCH OF ENGLAND ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARWELL CHURCH OF ENGLAND ACADEMY**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARWELL CHURCH OF ENGLAND ACADEMY (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARWELL CHURCH OF ENGLAND ACADEMY (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Academy Trust and the industry, we have identified that the principal risks of non-compliance with laws and regulations related to UK Tax and legislation and breaches of the Academy's funding agreement with the Secretary of State for Education, the Academies Financial Handbook, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the, Companies Act 2006 and the Charities SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their accounting estimates, in particular in relation to accruals provisions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARWELL CHURCH OF ENGLAND ACADEMY (CONTINUED)**

Luke Turner ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

System Road

Cossington

Leicester

LE7 4UZ

13 December 2022

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARWELL
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barwell Church of England Academy during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Barwell Church of England Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barwell Church of England Academy 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 Barwell Church of England Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barwell Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Barwell Church of England Academy's funding agreement with the Secretary of State for Education dated 10 October 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARWELL
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Reporting Accountant

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicester

LE7 4UZ

Date: 13 December 2022

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022	Restricted funds 2022	Restricted fixed asset funds 2022	Total funds 2022	Total funds 2021
Income from:						
Donations and capital grants	3	-	600	78,993	79,593	58,490
Other trading activities	5	38,120	-	-	38,120	35,413
Investments	6	76	-	-	76	67
Charitable activities		-	1,288,359	-	1,288,359	1,340,498
Total income		38,196	1,288,959	78,993	1,406,148	1,434,468
Expenditure on:						
Raising funds		19,915	-	-	19,915	29,262
Charitable activities		-	1,397,490	57,002	1,454,492	1,428,270
Total expenditure	7	19,915	1,397,490	57,002	1,474,407	1,457,532
Net income/(expenditure)		18,281	(108,531)	21,991	(68,259)	(23,064)
Transfers between funds	17	-	(9,368)	9,368	-	-
Net movement in funds before other recognised gains/(losses)		18,281	(117,899)	31,359	(68,259)	(23,064)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,471,000	-	1,471,000	(235,000)
Net movement in funds		18,281	1,353,101	31,359	1,402,741	(258,064)
Reconciliation of funds:						
Total funds brought forward		202,827	(1,345,408)	481,148	(661,433)	(403,369)
Net movement in funds		18,281	1,353,101	31,359	1,402,741	(258,064)
Total funds carried forward		221,108	7,693	512,507	741,308	(661,433)

The notes on pages 25 to 50 form part of these financial statements.

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08247528

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022	2021
Fixed assets			
Tangible assets	13	512,507	480,033
		<u>512,507</u>	<u>480,033</u>
Current assets			
Debtors	14	105,387	25,080
Cash at bank and in hand		605,304	635,289
		<u>710,691</u>	<u>660,369</u>
Creditors: amounts falling due within one year	15	(306,738)	(292,530)
Net current assets		403,953	367,839
Total assets less current liabilities		916,460	847,872
Creditors: amounts falling due after more than one year	16	(32,152)	(38,305)
Net assets excluding pension liability		884,308	809,567
Defined benefit pension scheme liability	24	(143,000)	(1,471,000)
Total net assets		741,308	(661,433)
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	512,507	481,148
Restricted income funds	17	150,693	125,592
		<u>663,200</u>	<u>606,740</u>
Restricted funds excluding pension liability	17	663,200	606,740
Pension reserve	17	(143,000)	(1,471,000)
Total restricted funds	17	520,200	(864,260)
Unrestricted income funds	17	221,108	202,827
Total funds		741,308	(661,433)

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

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 21 to 51 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:

Maggie Spence
Chair of Trustees

The notes on pages 25 to 51 form part of these financial statements.

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022	<i>2021</i>
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(15,121)	217,226
Cash flows from investing activities			
	21	(10,407)	1,182
Cash flows from financing activities			
	20	(4,457)	10,813
Change in cash and cash equivalents in the year		(29,985)	229,221
Cash and cash equivalents at the beginning of the year		635,289	406,068
Cash and cash equivalents at the end of the year	22, 23	605,304	635,289

The notes on pages 25 to 51 form part of these financial statements

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Barwell Church of England Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received. The land and buildings are held on a 125 year lease with the Local Authority.

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Leasehold improvements	-	6% Straight line
Furniture and equipment	-	15% Straight line
Computer equipment	-	25% 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.

1.8 Cash at bank and in hand

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 Liabilities

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

1.10 Provisions

Provisions are recognised when the Academy 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.

1.11 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions (continued)

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

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

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

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

Defined benefit pension scheme

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

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment (continued)

Tangible assets

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 reassessed 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. See note 13 for the carrying amount of the property, plant and equipment and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Unrestricted funds 2022	Restricted funds 2022	Restricted fixed asset funds 2022	Total funds 2022	<i>Total funds 2021</i>
Donations	-	600	-	600	1,250
Capital grants	-	-	78,993	78,993	57,240
Total 2022	-	600	78,993	79,593	58,490
<i>Total 2021</i>	<i>1,250</i>	<i>-</i>	<i>57,240</i>	<i>58,490</i>	

BARWELL CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities

	Restricted funds 2022	Total funds 2022	<i>Total funds 2021</i>
Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	1,101,585	1,101,585	1,062,498
Other DfE/ESFA grants			
Pupil Premium	95,832	95,832	90,158
Teachers pay grant	-	-	46,065
Others	53,382	53,382	71,925
	<u>1,250,799</u>	<u>1,250,799</u>	<u>1,270,646</u>
Other Government grants			
Local Authority grants	36,539	36,539	44,831
	<u>36,539</u>	<u>36,539</u>	<u>44,831</u>
Other income from the Academy's educational operations	1,021	1,021	25,021
	<u>1,288,359</u>	<u>1,288,359</u>	<u>1,340,498</u>
Total Educational Operations	<u>1,288,359</u>	<u>1,288,359</u>	<u>1,340,498</u>
	<u><u>1,288,359</u></u>	<u><u>1,288,359</u></u>	<u><u>1,340,498</u></u>
<i>Total 2021</i>	<u><u>1,340,498</u></u>	<u><u>1,340,498</u></u>	

5. Income from other trading activities

	Unrestricted funds 2022	Total funds 2022	<i>Total funds 2021</i>
Children's Centre income	9,978	9,978	10,176
Before and after school clubs	21,718	21,718	12,731
Other income	6,424	6,424	12,506
	<u>38,120</u>	<u>38,120</u>	<u>35,413</u>
	<u><u>38,120</u></u>	<u><u>38,120</u></u>	<u><u>35,413</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2022	Total funds 2022	<i>Total funds 2021</i>
Bank interest	76	76	67

7. Expenditure

	Staff Costs 2022	Premises 2022	Other 2022	Total 2022	<i>Total 2021</i>
Expenditure on raising funds:					
Allocated support costs	11,394	1,232	7,289	19,915	29,262
Educational operations:					
Direct costs	1,009,016	42,751	56,439	1,108,206	1,076,210
Allocated support costs	147,011	72,143	127,132	346,286	352,060
Total 2022	1,167,421	116,126	190,860	1,474,407	1,457,532
<i>Total 2021</i>	<i>1,149,259</i>	<i>97,702</i>	<i>210,571</i>	<i>1,457,532</i>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022	Support costs 2022	Total funds 2022	<i>Total funds 2021</i>
Educational Operations	1,108,206	346,286	1,454,492	1,428,270
<i>Total 2021</i>	<i>1,076,210</i>	<i>352,060</i>	<i>1,428,270</i>	

Analysis of direct costs

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2022	<i>Total funds 2021</i>
Pension finance costs	26,000	20,000
Staff costs	1,009,016	970,876
Educational supplies	23,064	36,169
Staff development	7,375	3,848
Depreciation	42,751	45,317
	1,108,206	1,076,210

Analysis of support costs

	Educational Operations 2022	Total funds 2022	<i>Total funds 2021</i>
Staff costs	121,019	121,019	162,886
Support staff costs	25,992	25,992	-
Maintenance of premises and equipment	16,265	16,265	11,589
Cleaning	4,854	4,854	2,661
Rates	6,036	6,036	6,386
Insurance	22,199	22,199	23,546
Depreciation	14,251	14,251	15,106
Catering	26,386	26,386	21,009
Other support costs	84,810	84,810	74,671
Security and transport	131	131	100
Technology costs	7,230	7,230	5,588
Energy costs	8,538	8,538	17,998
Governance costs	8,575	8,575	10,520
	346,286	346,286	352,060
<i>Total 2021</i>	352,060	352,060	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
Operating lease rentals	9,064	9,064
Depreciation of tangible fixed assets	57,002	57,223
Fees paid to auditors for:		
- audit	7,425	7,200
- other services	1,150	3,320
	96,641	127,807

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
Wages and salaries	768,562	809,550
Social security costs	65,262	66,315
Pension costs	307,605	273,394
	1,141,429	1,149,259
Staff restructuring costs	25,992	-
	1,167,421	1,149,259

Staff restructuring costs comprise:

	2022	2021
Redundancy payments	5,000	-
Severance payments	20,992	-
	25,992	-

b. Severance payments

The Academy paid 1 severance payment in the year, disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	1	-
	1	-

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,992 (2021: £NIL). Individually, the payments were: £20,992.

d. Staff numbers

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Teachers	11	<i>11</i>
Administrative and support	23	<i>24</i>
Management	1	<i>1</i>
	35	<i>36</i>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

e. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>

f. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £250,154 (*2021 - £238,705*). These figures include salary costs of all Trustees employed by the academy trust, even where they have no management role within their employment.

11. Trustees' remuneration and expenses

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

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

V Newman (Headteacher and Trustee)

Remuneration £65,000 - £70,000 (*2021: £65,000 - £70,000*)

Employer's pension contributions £15,000 - £20,000 (*2021: £15,000 - £20,000*)

R Peace (Staff Trustee)

Remuneration £30,000 - £35,000 (*2021: £25,000 - £30,000*)

Employer's pension contributions £5,000 - £10,000 (*2021: £5,000 - £10,000*)

D Green (Staff Trustee)

Remuneration £30,000 - £35,000 (*2021: £30,000 - £35,000*)

Employer's pension contributions £5,000 - £10,000 (*2021: £5,000 - £10,000*)

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

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £14 (*2021 - £14*). The cost of this insurance is included in the total insurance cost.

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

13. Tangible fixed assets

	Leasehold improvements	Furniture and equipment	Computer equipment	Total
Cost or valuation				
At 1 September 2021	470,255	245,810	102,107	818,172
Additions	79,175	10,301	-	89,476
At 31 August 2022	<u>549,430</u>	<u>256,111</u>	<u>102,107</u>	<u>907,648</u>
Depreciation				
At 1 September 2021	53,851	202,289	81,999	338,139
Charge for the year	26,839	21,051	9,112	57,002
At 31 August 2022	<u>80,690</u>	<u>223,340</u>	<u>91,111</u>	<u>395,141</u>
Net book value				
At 31 August 2022	<u>468,740</u>	<u>32,771</u>	<u>10,996</u>	<u>512,507</u>
<i>At 31 August 2021</i>	<u>416,404</u>	<u>43,521</u>	<u>20,108</u>	<u>480,033</u>

See note 1.3 regarding assets transferred on conversion.

14. Debtors

	2022	2021
Due within one year		
Trade debtors	-	3,600
VAT recoverable	5,676	-
Prepayments and accrued income	99,711	21,480
	<u>105,387</u>	<u>25,080</u>

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FOR THE YEAR ENDED 31 AUGUST 2022

15. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
Other loans	6,163	4,467
Trade creditors	3,731	596
Other taxation and social security	15,267	19,599
Other creditors	41,729	51,217
Accruals and deferred income	239,848	216,651
	306,738	292,530
	306,738	292,530
	2022	<i>2021</i>
Deferred income		
Deferred income at 1 September 2021	197,056	82,929
Resources deferred during the year	17,690	197,056
Amounts released from previous periods	(6,499)	(82,929)
	208,247	197,056
	208,247	197,056

The closing balance of deferred income relates to trip income and Condition Improvement Fund income received in advance of the 2022/23 academic year.

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

	2022	<i>2021</i>
Other loans	32,152	<i>38,305</i>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022	<i>2021</i>
Other loans	11,862	<i>13,694</i>
	11,862	<i>13,694</i>

Other loans consist of a Salix loan and a Condition Improvement Funding (CIF) loan for energy saving capital works as approved by the Education and Skills Funding Agency, along with a CIF loan for damp proofing capital works. The Salix loan is interest free and repayable over a period of 7 years up to 31 August 2026. The CIF loan for the energy saving works attracts an interest rate of 2.29% and is repayable over 10 years up to 30 September 2030. The CIF loan for the damp proofing works attracts an interest rate of 1.95% and is repayable over 10 years up to 31 August 2032.

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

17. Statement of funds

	Balance at 1 September 2021	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2022
Unrestricted funds						
General funds	202,827	38,196	(19,915)	-	-	221,108
Restricted general funds						
General Annual Grant	83,323	1,101,585	(1,024,646)	(9,569)	-	150,693
Pupil Premium	33,588	95,832	(129,420)	-	-	-
Other DfE/ESFA grants	8,681	53,382	(62,264)	201	-	-
Other government grants	-	36,539	(36,539)	-	-	-
Other funding	-	1,621	(1,621)	-	-	-
Pension reserve	(1,471,000)	-	(143,000)	-	1,471,000	(143,000)
	(1,345,408)	1,288,959	(1,397,490)	(9,368)	1,471,000	7,693
Restricted fixed asset funds						
DfE Group capital grants	423,287	78,993	(38,216)	(201)	-	463,863
Other government grants	11,118	-	(3,896)	-	-	7,222
Capital expenditure from GAG	46,743	-	(14,890)	9,569	-	41,422
	481,148	78,993	(57,002)	9,368	-	512,507

BARWELL CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2021	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2022
Total Restricted funds	(864,260)	1,367,952	(1,454,492)	-	1,471,000	520,200
Total funds	(661,433)	1,406,148	(1,474,407)	-	1,471,000	741,308

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

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The funds have been fully spent at the year end.

The other DfE Group grants consist of PE Sport grant, supplementary grant, recovery premium grant, school led tutoring, early years mentor income and mental health grant. All funds were fully spent during the year.

Other government grants consist of High Level Needs funding. The funds have been fully spent at the year end.

Other funding consist of staff sickness insurance claims and a donation from the Poor Platt Charity. All funds have been fully spent within the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned plus unspent funds.

Other donations consist of a donation from Leicestershire County Council in a previous year towards the purchase of fire doors to reduce insured risk of material damage, new dining tables and hard landscaping to the rear of the school. It also includes funding from the National Lottery towards play equipment. The closing balance relates to the net book value of the assets concerned at the year end.

Capital expenditure from GAG relates to capital expenditure allocated to the GAG within this grant's terms. The closing balance represents the net book value of the assets concerned.

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

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

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
Unrestricted funds						
General funds	195,359	36,730	(29,262)	-	-	202,827
Restricted general funds						
General Annual Grant	37,553	1,062,498	(1,024,519)	7,791	-	83,323
Pupil Premium	6,050	90,158	(62,620)	-	-	33,588
Teachers' pension grant	-	46,065	(46,065)	-	-	-
Other DfE/ESFA grants	3,500	41,415	(36,234)	-	-	8,681
Other restricted donations	47	-	(47)	-	-	-
Other government grants	-	44,831	(44,831)	-	-	-
Other funding	-	25,021	(25,021)	-	-	-
COVID-19 additional funding	-	30,510	(30,510)	-	-	-
Pension reserve	(1,138,000)	-	(98,000)	-	(235,000)	(1,471,000)
	<u>(1,090,850)</u>	<u>1,340,498</u>	<u>(1,367,847)</u>	<u>7,791</u>	<u>(235,000)</u>	<u>(1,345,408)</u>

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
Restricted fixed asset funds						
DfE Group capital grants	413,592	57,240	(39,754)	(7,791)	-	423,287
Other donations	15,935	-	(4,817)	-	-	11,118
Capital expenditure from GAG	62,595	-	(15,852)	-	-	46,743
	<u>492,122</u>	<u>57,240</u>	<u>(60,423)</u>	<u>(7,791)</u>	<u>-</u>	<u>481,148</u>
Total Restricted funds	<u>(598,728)</u>	<u>1,397,738</u>	<u>(1,428,270)</u>	<u>-</u>	<u>(235,000)</u>	<u>(864,260)</u>
Total funds	<u><u>(403,369)</u></u>	<u><u>1,434,468</u></u>	<u><u>(1,457,532)</u></u>	<u><u>-</u></u>	<u><u>(235,000)</u></u>	<u><u>(661,433)</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022	Restricted funds 2022	Restricted fixed asset funds 2022	Total funds 2022
Tangible fixed assets	-	-	512,507	512,507
Current assets	221,108	489,583	-	710,691
Creditors due within one year	-	(306,738)	-	(306,738)
Creditors due in more than one year	-	(32,152)	-	(32,152)
Pension scheme liability	-	(143,000)	-	(143,000)
Total	<u><u>221,108</u></u>	<u><u>7,693</u></u>	<u><u>512,507</u></u>	<u><u>741,308</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021</i>	<i>Restricted funds 2021</i>	<i>Restricted fixed asset funds 2021</i>	<i>Total funds 2021</i>
Tangible fixed assets	-	-	480,033	480,033
Current assets	202,827	456,427	1,115	660,369
Creditors due within one year	-	(292,530)	-	(292,530)
Creditors due in more than one year	-	(38,305)	-	(38,305)
Pension scheme liability	-	(1,471,000)	-	(1,471,000)
Total	202,827	(1,345,408)	481,148	(661,433)

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

	2022	2021
Net expenditure for the year (as per Statement of Financial Activities)	(68,259)	(23,064)
Adjustments for:		
Depreciation	57,002	60,423
Capital grants from DfE and other capital income	(78,993)	(49,449)
Interest receivable	(76)	(67)
Defined benefit pension scheme cost less contributions payable	117,000	78,000
Defined benefit pension scheme finance cost	26,000	20,000
(Increase)/decrease in debtors	(74,631)	18,979
Increase/(decrease) in creditors	6,836	112,404
Net cash (used in)/provided by operating activities	(15,121)	217,226

20. Cash flows from financing activities

	2022	2021
Cash inflows from new borrowing	-	15,270
Repayments of borrowing	(4,457)	(4,457)
Net cash (used in)/provided by financing activities	(4,457)	10,813

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21. Cash flows from investing activities

	2022	2021
Dividends, interest and rents from investments	76	67
Purchase of tangible fixed assets	(89,476)	(48,334)
Capital grants from DfE Group	78,993	49,449
Net cash (used in)/provided by investing activities	(10,407)	1,182

22. Analysis of cash and cash equivalents

	2022	2021
Cash in hand and at bank	605,304	635,289
Total cash and cash equivalents	605,304	635,289

23. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
Cash at bank and in hand	635,289	(29,985)	605,304
Debt due within 1 year	(4,467)	(1,696)	(6,163)
Debt due after 1 year	(38,305)	6,153	(32,152)
	592,517	(25,528)	566,989

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire 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 2019.

Contributions amounting to £20,975 were payable to the schemes at 31 August 2022 (2021 - £22,148) and are included within creditors.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £108,438 (2021 - £105,887).

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

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

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £101,000 (2021 - £108,000), of which employer's contributions totalled £83,000 (2021 - £88,000) and employees' contributions totalled £ 18,000 (2021 - £20,000). The agreed contribution rates for future years are 24.9 - 25.1 per cent for employers and 5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.55	3.4
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.9
Commutation of pensions to lump sums	50	50

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.7
Females	24	24.2
<i>Retiring in 20 years</i>		
Males	22.4	22.6
Females	25.7	25.9

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24. Pension commitments (continued)

Sensitivity analysis

	2022	<i>2021</i>
	£000	<i>£000</i>
Discount rate -0.1%	44	<i>74</i>
Salary increase rate +0.1%	5	<i>8</i>
Pension increase rate +0.1%	40	<i>65</i>
	=====	<i>=====</i>

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2022	<i>2021</i>
Equities	1,077,000	<i>979,000</i>
Corporate bonds	494,000	<i>490,000</i>
Property	159,000	<i>118,000</i>
Cash and other liquid assets	36,000	<i>101,000</i>
	=====	<i>=====</i>
Total market value of assets	1,766,000	<i>1,688,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was £(2,000) (2021 - £296,000).

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24. Pension commitments (continued)

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return of each asset class as at the beginning of the period (i.e. as at 1 September 2021 for the year to 31 August 2022, or date of joining the fund if later).

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

	2022	<i>2021</i>
Current service cost	(200,000)	<i>(166,000)</i>
Interest income	28,000	<i>23,000</i>
Interest cost	(54,000)	<i>(43,000)</i>
Total amount recognised in the Statement of Financial Activities	<u>(226,000)</u>	<i><u>(186,000)</u></i>

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24. Pension commitments (continued)

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

	2022	2021
At 1 September	3,159,000	2,442,000
Current service cost	200,000	166,000
Interest cost	54,000	43,000
Employee contributions	18,000	20,000
Actuarial (gains)/losses	(1,501,000)	508,000
Benefits paid	(21,000)	(20,000)
At 31 August	1,909,000	3,159,000

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

	2022	2021
At 1 September	1,688,000	1,304,000
Interest income	28,000	23,000
Actuarial (losses)/gains	(30,000)	273,000
Employer contributions	83,000	88,000
Employee contributions	18,000	20,000
Benefits paid	(21,000)	(20,000)
At 31 August	1,766,000	1,688,000

25. Operating lease commitments

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

	2022	2021
Not later than 1 year	13,389	9,064
Later than 1 year and not later than 5 years	22,864	7,673
	36,253	16,737

26. Members' liability

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

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27. Related party transactions

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

The Diocese of Leicester Educational Trust are a founding member of the academy and have the right to appoint up to 25% of the total Trustee board. The building from which the academy operates is owned by the Diocese of Leicester. No long leasehold fixed asset is recognised in the financial statements due to the degree of ultimate control over the building that lies with the Diocese.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.