
THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

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

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

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THE SOUTHWATER INFANT ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022

Members	Mr D Smith (appointed 23/02/2011) Ms M Richards (appointed 23/02/2011) Mrs D Dowling (appointed 23/02/2011)
Trustees	Mr Andrew Harker (07/10/2020, appointed as Chair 06/10/2021, resigned 02/12/2021) Mrs Clare Quinlisk 19/01/2021 Chair 08/12/2021 Mr Peter Buckley (17/10/2018) Mr Jay Shekleton (02/10/2019 – 14/10/21) Mrs Claire Hurdle (02/10/2019- 18/10/21) Mrs Agnieszka Mason (19/01/2021- Resigned 21/01/22) Dr Steven Romans (09/12/2020- Resigned 11/03/22) Mrs Katy Tyrell (16/03/2021) Mrs Karen James (08/12/2021) Mrs Jenny Legg (27/11/2020) Ms Nava Flower (27/11/2020)
Company registered number	07540811
Company name	The Southwater Infant Academy
Principal and registered office	Worthing Road Southwater West Sussex RH13 9JH
Senior management team	Mrs C Cavallo, Headteacher Mr M White, Deputy Head Teacher
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR
Bankers	HSBC plc 6 West Street Horsham West Sussex RH12 1PE
Solicitors	West Sussex County Council County Hall Chichester West Sussex PO19 1RQ

THE SOUTHWATER INFANT 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 auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 years to 7 years, serving a catchment area in Southwater and the surrounding area. It has a pupil capacity of 360 and had a roll of 308 in the school census in Autumn 2021.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Southwater Infant Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Southwater Infant Academy.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

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

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- o The Head Teacher
- o A minimum of 2 Parent Trustees
- o Co-opted Trustees
- o Up to 3 Trustees appointed by the Members
- o Any Trustees appointed by the Secretary of State for Education

The term of office for any Trustee is 4 years. The Head Teacher's term of office runs parallel with her term of appointment. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review the Trustees held three Board of Trustees meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters.

All new Trustees are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees

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

Structure, Governance and Management (continued)

Organisational Structure

The charitable company has established a management structure to enable its efficient running. The structure consists of two levels: the Trustees and the executive who are the senior leadership team.

The body of Trustees has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the charitable company and monitor its progress towards these objectives.

The body of trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the charitable company by use of budgets and making major decisions about the direction of the charitable company, including capital expenditure and senior staff appointments.

The Head Teacher assumes the accounting officer role.

Arrangements for setting pay and remuneration of key management personnel

The academy has a Pay Policy in place which is reviewed annually. In line with this policy, key management personnel are going through an annual appraisal, the report of which contains recommendation on pay progression if that is possible. The Headteacher is responsible for submitting any recommendations for pay progression, in accordance with the relevant sections of the Pay Policy, to the Resources Committee for approval.

Objectives and Activities

Objects and Aims

The principal object and activity of the academy is the operation of The Southwater Infant Academy to provide a broad and balanced education for pupils of all abilities in the Southwater area. The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

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

Objectives and Activities (continued)

Objectives, Strategies and Activities

The academy undertook self-evaluation activities to correctly identify objectives for the year 2021/2022. Our three key objectives covering our continuing development priorities were:

Disadvantaged Leader to raise the profile of disadvantaged learners, and ensure effective targeted provision is delivered to maximise progress.

To provide insight and support with this target, the Disadvantaged Lead enrolled on a disadvantaged training course with the Durrington Research School. The course ran over a number of sessions during the academic year and gave opportunities for identifying key issues, detailed planning of support and interventions, and useful networking with colleagues. The course also gave a good insight into up-to-date research and practice in school improvement and supporting disadvantaged learners.

As a result of the training, the Pupil Premium Strategy was created. Areas of development were identified that would support and raise outcomes for disadvantaged learners, but also raise outcomes overall across the academy. Key areas identified were:

Metacognition

To develop metacognition across the academy, a training course on metacognition was used at Durrington, attended by a member of the SLT. As this is a three-year strategy and target, the main focus of the year was to ensure leadership of this target would be effective going forwards. Throughout the training, the Headteacher and SLT member met regularly to discuss and reflect on how metacognition would support our children, with an action plan drawn up at the end of the year to start implementing metacognition across the academy in 2022 / 2023. Although the impact of this is yet to be seen and measured, the time spent learning about metacognition and planning for implementation has been hugely valuable, and the upskilling of a member of the SLT in planning and delivery of a school improvement target has also been important.

Maths Mastery teaching

To support our development of Maths Mastery in the academy, we signed up to a Maths Mastery programme with the West Sussex Maths Hub last year. This provided us with training and support in leading on implementing mastery in maths across the school. Our maths lead took leadership of this target, and attended training alongside a Year 1 teacher from our academy. Over the year we worked with a representative of the maths hub to develop an action plan on implementing mastery, and met regularly to discuss progress and next steps in this target. Coaching was used to support the leadership of this target, with the maths lead demonstrating increased confidence in leadership and supporting others. Drop ins, book looks and conversations with children and staff were used to measure the impact of the project over the year. Children expressed an increased enjoyment in maths, with many saying they liked learning about numbers, and although the pace of the lessons seemed quite slow paced to many teachers, the depth of learning and time spent embedding understanding was spoken about positively at the end of the year. Outcomes seen in books, data, and talking to children show that children are achieving well, and greater depth outcomes at the end of Year 2 were notable higher in maths than in literacy.

An interesting development for our first year working on this project was identifying that there was less support and information available on mastery teaching in EYFS. As a result, we have also signed up to a further programme in 2022 / 2023 on mastery in number, which focuses on in class teaching of number for EYFS, Year 1 and Year 2. We will be undertaking this alongside continuing our master leadership programme into its second year.

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

Objectives and Activities (continued)

Objectives, Strategies and Activities

Through training and support, implement a Therapeutic Thinking approach to behaviour management across the academy.

Following SLT training on Therapeutic Thinking completed in the Summer Term 2021, whole academy training was provided for all staff in the use of a therapeutic approach to managing behaviour. A focus was put on the use of therapeutic language, with this also used in behaviour plans to support key children. The Behaviour Policy was revised to take account of the changes in language and practice, and to clarify the use of de-escalation techniques and restorative conversations.

By the Spring Term, some initial improvements had already been seen in behaviour management. Further research was carried out by the SLT and trustees into therapeutic practices used in other schools, and The Thrive Approach was noted to be particularly successful. A visit was carried out by the Headteacher and Chair of Trustees to see the Thrive Approach in action in a local school, and a discussion followed with SLT about how this could be implemented at the academy.

Over the summer term, two staff members were trained to be Thrive Practitioners, and to lead on delivering Thrive support to children for the next academics year. As part of the training, the practitioners had to carry out some pilot sessions with children, so key individuals were selected who would benefit from some immediate support. SLT training was also undertaken in the summer term, and whole staff training booked for the start of the new academic year. This will enable the Thrive Approach to be implemented fully during the academic year 2022/2023.

Improve the phonics and reading provision across the academy to ensure fluency, confidence and enjoyment.

At the start of the year, a whole school plan was drawn up to identify specific improvements and focus areas for development. Funds raised from the previous year were used to purchase new decodable reading books for each year group, and through a phased approach these were introduced across the academy.

Release time was provided for the Phonics and Reading Leader to implement early changes, including the introduction of the new reading scheme, and to create assessments that class teachers could use to identify the correct book for each child.

Early evaluation of the Song of Sounds phonics scheme was undertaken, due to the fact that the scheme had not yet received DfE accreditation. Some areas within the scheme were identified for internal improvement, such as some alteration of when specific sounds were taught, to improve progression. A number of other phonics schemes were also investigated, with the SLT meeting with schools using these to evaluate their effectiveness. Following successful accreditation of Song of Sounds later in the year, the SLT made a collective decision to remain with Song of Sounds for the foreseeable future, but to continue to investigate and monitor the effectiveness of other schemes.

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

Public Benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community.

Some examples of this are:

- Raising money for local, national, and international charities
- Providing community events such as the Southwater Scarecrow Trail, and the Christmas and Spring Fairs
- Giving the opportunity for work experience to local Secondary school and College pupils

Strategic Report - Achievement and Performance

Key Performance Indicators

The academy set a balanced budget and the level of unrestricted and restricted general funds (before restricted fixed assets fund and pension reserve) at 31 August 2022 was £61,159 higher than at 31 August 2021. The academy will continue to operate with sufficient balances so as to continue the high standard of education offered to its students.

The achievement and performance of learners

A continued focus on Quality of Education was kept over the year in light of the continued disruption the children's learning from the pandemic. Baseline assessments were used to identify areas to focus on, and where more targeted support was needed for individual children. Formative assessment was then used during the academic year, with same day intervention used to help children keep up in core subjects.

The School Led Tutoring Funding was used to support the progress of Disadvantaged Learners across the academy, focussing particularly on Reading. Evidence based interventions were used to improve outcomes in Reading for children identified as being at risk of falling behind.

Due to the lifting of most Covid restrictions, extra-curricular activities were able to be reintroduced, therefore after school clubs, visitors and trips were planned back in to improve cultural capital and to broaden the experiences for all children.

In addition to the academic concerns caused by the pandemic, it was also noted early on in the year that a number of children were struggling with social, emotional and mental health issues. Many children were struggling with their social interactions and with managing their emotions. As a result of this, improvements were made to the support and provision for these children. Additional adult support was provided in some cases, external agencies were contacted and consulted and the academy made the decision to begin implementing the Thrive Approach. We aim to embed this over the next academic year, and also to carry on the focus on Quality of Education to ensure outcomes continue to improve.

End of EYFS Results – July 2022

The new Reception Baseline assessment was carried out at the start of the year, which provided a summary for teachers to enable them to make internal baseline assessments. The data from this showed a particularly low starting point for the year group, with only 24% of children meeting expectations for GLD at this point. At the end of the year the GLD for EYFS was below that of the provisional County and National figures, however the progress made by the EYFS children was very rapid and demonstrated excellent outcomes from teaching and learning.

GLD at end of EYFS

SIA 59% (County 64%, National 65%)

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

Strategic Report - Achievement and Performance (continued)

The achievement and performance of learners (continued)

End of Key Stage 1 Results – July 2022

Summer 2022 saw the reintroduction of statutory testing, which had been paused since 2019 due to Covid. All tests and teacher assessments were carried out as required at the end of the year.

The analysis of internal monitoring has highlighted the following:

Reading

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Expected Standard | SIA 85% (County 66%, National 67%) |
| <input type="checkbox"/> Greater Depth | SIA 15% (County 13%, National 18%) |

Reading expectations show a real strength in meeting year group expectations. Greater Depth outcomes were below National, but further investigation needs to be done to see if this is due to the cohort or a trend across the academy.

Writing

- | | |
|---------------------|------------------------------------|
| • Expected Standard | SIA 64% (County 53%, National 58%) |
| • Greater Depth | SIA 4%, (County 4%, National 8%) |

Writing expectations show a real strength in meeting year group expectations. Greater Depth outcomes were below National, but further investigation needs to be done to see if this is due to the cohort or a trend across the academy.

Maths

- | | |
|---------------------|-------------------------------------|
| • Expected Standard | SIA 81%, (County 64%, National 68%) |
| • Greater Depth | SIA 16%, (County 9%, National 15%) |

Maths expectations show a real strength in meeting and exceeding year group expectations.

Science

- | | |
|---------------------|------------------------------------|
| • Expected Standard | SIA 88% (County 77%, National 77%) |
|---------------------|------------------------------------|

Phonics Screening Check

The Phonics Screening was carried out in June 2022 for all Year 1 children, and for those Year 2 children who did not pass last year.

Outcomes for Phonics Screening:

Year 1 84% (County 74%, National 76%) Year 2 - 28% County 43%, National 44%)

The outcomes for Year 1 in phonics are excellent, however those in Year 2 are lower. Analysis of this has shown that this is due to the Year 2 cohort rather than the teaching and learning of phonics.

To be introduced in 2022/2023:

- ☐ Phonics outcomes in 2022 for Year 1 and Year 2 to be at least in line with National outcomes.
- ☐ Embed the Maths Mastery approach across all year groups.
- ☐ Begin to embed the Thrive Approach across the academy.
- ☐ Targeted daily phonics groups for Year 2 children in Autumn and Spring who are identified as needing extra support
- ☐ Use School Led Tutoring to continue to improve outcomes for disadvantaged children.
- ☐ Increase opportunities for writing to ensure more children achieve Greater Depth.

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

Going Concern

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

Strategic Report - Financial Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The way that these resources have been utilised to support the education and development of pupils is described in the annual report. During the period, ESFA and local authority grants received totalled £1.492m. Other income included within restricted funds totalled £26,755 mostly through lettings which complement the Academy's activities.

A breakdown of grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

Restricted fund expenditure, including depreciation charges, totalled £1.673m of which £1.132m relates to directly employed staff. Income was therefore £181,000 less than expenditure.

The Academy also received a grant of £7,465 for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy spent £43,542 on fixed assets during 2021/22 of which £33,907 relates to the resurfacing on the playground.

Trustees receive financial progress reports throughout the year and compare against expenditure against budget set at the beginning of the year and submitted to the Education and Skills Funding Agency. Trustees also review longer term financial projections and will consider options to organise resources most effectively to fulfil the aims of the Academy.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated.

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

The total of all funds at 31 August 2022 was £3.748m. this balance comprises unrestricted funds of £359,631, restricted general funds of £200,930 and restricted fixed asset funds of £3.188m. The amount of designations made in relation to the unrestricted reserves totals to NIL.

Excluding fixed asset funds, total reserves were £560,561 compared to £499,407 at 31 August 2021. The most significant variation is the pension reserve which is NIL at 31 August 2022 compared to a deficit of £627,000 at 1 September 2021. Without this change, the underlying increase in non-fixed asset funds is £61,154.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

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

Reserves Policy (continued)

There is no deficit/asset in the Local Government Pension Scheme (LGPS) recognised on the balance sheet as at 31 August 2022 (2021: deficit of £627,000). In accordance with the FRS 102 pension report there was a pension asset of £227,000 as at 31 August 2022.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Overall, the Academy has a healthy balance sheet and cash flow. Trustees will consider options for utilising part of these reserves to maintain or improve assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims. The school is also aware of funding pressures such as nationally agreed pay increases, energy costs once the current fixed-term agreements end, other increases in the cost of supplies and services and potential restrictions on Government funding.

Investment Policy

Investment policies are determined by the Board of Trustees. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Board of Trustees for consideration.

As at 31 August 2022, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

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

Fundraising

The academy engages in fundraising throughout the academic year, both for specific projects and to augment the annual education budget. Due to continued disruption from Covid, the academy continued to run smaller activities and events, such as children creating Christmas Cards to sell to parents / carers. Some larger events were held outside to minimise the risk of Covid infection. The income and expenditure pertaining to all fundraising activities (including the allocation of funds) is independently reviewed by the Responsible Officer, who reports their findings directly to the board of trustees.

The board of trustees will also respond directly to any complaints that arise pertaining to fundraising events, with the Responsible Officer acting as an independent intermediary if deemed to be necessary.

Plans for future periods

The Academy has an ongoing programme of repairs and maintenance and a prioritised improvement plan. Over the coming year priority will be given to the replacement of the exterior windows.

Reduced numbers of children joining the academy in Reception due to a nationally reducing birth rate have been managed with no need for staff reductions. It is anticipated that intake numbers may again be low in September 2023, however staff planning is taking account of this to avoid redundancy costs where possible.

The full impact of Covid-19 is still unknown, and it continues to present many challenges for the academy. Our key targets for the academy have taken this into the consideration.

The key targets for 2022/23 are;

1. Improve outcomes for the lowest 20% in Reading and Phonics
2. Increase opportunities for Writing across the curriculum.
3. Adapt the academy curriculum to reflect a shared, cohesive vision.
4. Develop metacognition across the academy, focusing on talk and questioning.
5. Adapt the behaviour policy and practices to include relationship policy and practices in line with the Thrive Approach.
6. Introduce the Thrive Approach across the academy, enabling the Thrive Practitioners to lead effectively.
7. Develop the role of the DHT to ensure sustainability and improve leadership.

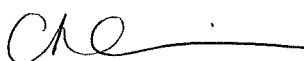
Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

Auditor

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2022 and signed on the board's behalf by:



Mrs Q Quinlisk
Chair of Trustees

THE SOUTHWATER INFANT ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Southwater Infant 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.

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Southwater Infant 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
Mr A Harker	1	1
Mrs C Quinlisk	3	3
Mrs C Cavallo, Head Teacher	3	3
Mrs A Mason	1	1
Mr Peter Buckley	2	3
Mr Jay Shekleton	1	1
Mrs Claire Hurdle	0	1
Mrs Jenny Legg	3	3
Mrs Nava Flower	2	3
Dr Steve Romans	1	1
Mrs Katy Tyrrell	2	3
Mrs Karen James	2	3

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the finances of the academy and ensure that resources are used for the purposes intended.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Andy Harker, Chair	2	2
Mrs C Cavallo	5	6
Mr P Buckley	5	6
Mr Jay Shekleton	0	1
Dr Steve Romans	1	2
Mrs Karen James	2	3
Mrs Katy Tyrrell	2	6
Mrs Clare Quinlisk	3	6

Trustees are asked to declare any interests at the start of each meeting. Details of Members and Trustees on the Academy's website also includes relevant interests.

The Trustees of the Academy work alongside of the Senior Leaders of the school to ensure the Vision and Ethos are developed and delivered. We are striving to nurture and develop our children from their own starting points

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

to grow creative global citizens that aspire and achieve. To achieve this, we use a creative curriculum, to support the development of core skills that are enriched with memorable experiences and opportunities.

We also use our Values of Respect, Kindness and Honesty, alongside our Learning Powers of Resilience, Reflectiveness, Resourcefulness and Relationships. These Values and Learning Powers interweave across everything the school does.

The Trustee Board reviewed both the Vision and Ethos, as well as the Values, and determined that these continue to reflect the culture of the school and remain relevant to our children today.

The Trustee Board underwent a number of changes during the year, however the position at the end of academic year 2021-22 was:

6 Trustees, consisting of 3 parents and 3 co-opted. These are in addition to our 3 members.
The Chair of Trustees is Mrs Clare Quinlisk.
The Vice-Chair of Trustees is Mrs Katy Tyrrell.

Our Co-Opted Trustees are:

Mr Peter Buckley

Mrs Katy Tyrrell

Mrs Karen James

Our Parent Trustees are:

Mrs Clare Quinlisk

Mrs Jenny Legg

Ms Nava Flower

We operate 4 committees and these include:

Resources, chaired by Clare Quinlisk, has delegated responsibility for people, premises and safeguarding.

Curriculum, chaired by Clare Quinlisk, has delegated responsibility for monitoring delivery and quality of the EYFS and KS1 curriculum, to include pupil progress and attendance.

Finance and Audit, chaired by Peter Buckley, has delegated responsibility for financial governance and compliance, including authorisation of the annual budget statement and internal audit.

We also meet termly as a full board, with our members joining us annually.

Trustees have specific monitoring responsibilities that they conduct on behalf of the wider board. All Trustees work on a voluntary basis. Due to a number of changes over the year, including a new chair and vice-chair, the Trustees have reviewed the ongoing structure, with particular emphasis on removing duplication and ensuring all Trustees cover the full breadth of responsibilities and receive updates accordingly. Work has taken place over the year, and a circular model was introduced in September 2022. The committees will be disbanded, with the exception of Finance and Audit.

Trustees have also used a new monitoring schedule very successfully, led by Mrs Katy Tyrrell, and this will be continuing in future years. This ensures monitoring remains focused on the strategic priorities of the school and enables us to more closely track who is responsible, and when this has taken place.

A 360-feedback survey for chairs and clerks has also been developed and is ready to roll out at the end of the academic year. This supports the focus on continuously improving, and sits alongside the training and development, led by Mrs Jenny Legg.

The Board committed to refocusing its attention to the Academy Improvement Plan, following a pause to enable the school to get through the pandemic and associated closures. Areas that the Trustees focused on during 2021/22 included the phonics scheme and the impact of lockdown on disadvantaged children.

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Another key priority for Trustees is well-being. Trustees led a pupil questionnaire for all children complete with support from staff. Trustees reviewed the results and will continue to monitor the action plan. Trustees also conducted a staff well-being questionnaire towards the end of the academic year.

Trustees will continue to monitor outcomes in reading and phonics. The wider curriculum will be looked at to ensure children at the academy get a broad and enriching education. Trustees will also be looking at writing, and ensuring outcomes in this area are further strengthened.

As well as the priorities set out above, Trustees will continue to review performance as a board through self-evaluation and feedback, and whether the circular model structure is working for the school & trustees.

Review of value for money

As Accounting Officer, the Head Teacher 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:

- Using internal staff to cover supply or absence whenever possible, reducing the cost of agency or additional staff
- Support for children most impacted by the pandemic was continued using the Pupil Premium Grant and School Led Tutoring funding. The Pupil Premium Trustees ensured the funding was spent appropriately and benefitted the pupils involved. Targeted individual and small group support ensured we achieved improvements in progress for these children, and will be continued into next year.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Southwater Infant Academy for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- which are reviewed and agreed by the board of trustees
- regular reviews by the Finance 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 not to appoint an auditor for this purpose. However, the trustees have appointed Mr. Peter Buckley, a trustee, to carry out a programme of internal checks during the year.

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

- Fire Risk Assessment findings
- COVID Catch-up Premium spend
- Safeguarding procedures within the academy

On a termly basis, the reviewer reports to the board of trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an 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 agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

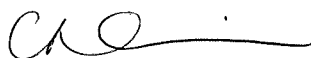
Review of effectiveness

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:

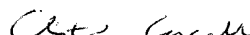
- the work of the internal reviewer
- the work of the external auditor
- the school resource management self-assessment tool

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk 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 14 December 2022 and signed on their behalf by:



Mrs Q Quinlisk
Chair of Trustees



Mrs C Cavallo
Accounting Officer

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Southwater Infant 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 Academy Trust 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 Academy Trust Handbook 2021.

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



Mrs C Cavallo
Accounting Officer
Date: 14 December 2022

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

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

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

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

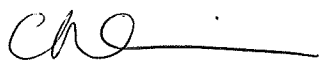
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 14 December 2022 and signed on its behalf by:



Mrs Q Quinlisk
Chair of Trustees

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SOUTHWATER INFANT ACADEMY**

Opinion

We have audited the financial statements of The Southwater Infant 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.

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SOUTHWATER INFANT 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.

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

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SOUTHWATER INFANT ACADEMY (CONTINUED)

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with
- provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SOUTHWATER INFANT ACADEMY (CONTINUED)**

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.

 FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

14 December 2022

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
SOUTHWATER INFANT ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 November 2011 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 The Southwater Infant 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 The Southwater Infant Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Southwater Infant 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 The Southwater Infant Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Southwater Infant Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Southwater Infant Academy's funding agreement with the Secretary of State for Education dated 21 June 2011 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 to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
SOUTHWATER INFANT 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.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 14 December 2022

THE SOUTHWATER INFANT 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	25,897	-	7,465	33,362	777,326
Other trading activities	5	20,883	6,561	-	27,444	26,611
Investments	6	144	-	-	144	14
Charitable activities	5	-	1,491,521	-	1,491,521	1,392,850
Total income		46,924	1,498,082	7,465	1,552,471	2,196,801
Expenditure on:						
Raising funds		11,660	-	-	11,660	15,699
Charitable activities	8	-	1,578,980	82,772	1,661,752	1,535,025
Total expenditure		11,660	1,578,980	82,772	1,673,412	1,550,724
Net income/(expenditure)		35,264	(80,898)	(75,307)	(120,941)	646,077
Transfers between funds	17	-	(11,212)	11,212	-	-
Net movement in funds before other recognised gains/(losses)		35,264	(92,110)	(64,095)	(120,941)	646,077
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	745,000	-	745,000	(113,000)
Net movement in funds		35,264	652,890	(64,095)	624,059	533,077
Reconciliation of funds:						
Total funds brought forward		324,367	(451,960)	3,252,004	3,124,411	2,591,334
Net movement in funds		35,264	652,890	(64,095)	624,059	533,077
Total funds carried forward		359,631	200,930	3,187,909	3,748,470	3,124,411

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

The notes on pages 26 to 47 form part of these financial statements.

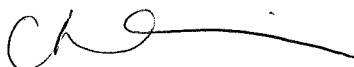
THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07540811

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,194,472	3,233,702
		<u>3,194,472</u>	<u>3,233,702</u>
Current assets			
Debtors	14	52,948	37,505
Cash at bank and in hand		667,246	627,805
		<u>720,194</u>	<u>665,310</u>
Creditors: amounts falling due within one year	15	(161,508)	(141,038)
Net current assets		<u>558,686</u>	<u>524,272</u>
Total assets less current liabilities		<u>3,753,158</u>	<u>3,757,974</u>
Creditors: amounts falling due after more than one year	16	(4,688)	(6,563)
Net assets excluding pension asset / liability		<u>3,748,470</u>	<u>3,751,411</u>
Defined benefit pension scheme asset / liability	24	-	(627,000)
Total net assets		<u><u>3,748,470</u></u>	<u><u>3,124,411</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	3,187,909	3,252,004
Restricted income funds	17	200,930	175,040
		<u>3,388,839</u>	<u>3,427,044</u>
Restricted funds excluding pension asset	17	3,388,839	3,427,044
Pension reserve	17	-	(627,000)
Total restricted funds	17	<u>3,388,839</u>	<u>2,800,044</u>
Unrestricted income funds	17	<u>359,631</u>	<u>324,367</u>
Total funds		<u><u>3,748,470</u></u>	<u><u>3,124,411</u></u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:

Mrs Q Quinlisk
Chair of Trustees



The notes on pages 26 to 47 form part of these financial statements.

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	77,249	29,055
Cash flows from investing activities	21	(35,933)	(13,272)
Cash flows from financing activities	20	(1,875)	(1,875)
Change in cash and cash equivalents in the year		39,441	13,908
Cash and cash equivalents at the beginning of the year		627,805	613,897
Cash and cash equivalents at the end of the year	22, 23	<u>667,246</u>	<u>627,805</u>

The notes on pages 26 to 47 form part of these financial statements

THE SOUTHWATER INFANT 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.

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.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

• **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.

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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

- **Other income**

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

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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years
Improvements to leasehold premises	- 10 - 30 years
Plant and machinery	- 5 - 10 years
Computer equipment	- 2 years

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 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.

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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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	25,897	-	25,897	20,063
Capital Grants	-	7,465	7,465	7,263
Grants	-	-	-	750,000
	<u>25,897</u>	<u>7,465</u>	<u>33,362</u>	<u>777,326</u>
Total 2021	<u>16,063</u>	<u>761,263</u>	<u>777,326</u>	

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4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
GAG	1,309,404	1,309,404	1,090,304
Other DfE/ESFA grants			
UIFSM	104,790	104,790	111,595
Pupil premium	20,314	20,314	19,886
Others	33,121	33,121	75,279
	<hr/> 1,467,629	<hr/> 1,467,629	<hr/> 1,297,064
Other Government grants			
Local authority grants	20,394	20,394	70,406
	<hr/> 20,394	<hr/> 20,394	<hr/> 70,406
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	24,960
Other DfE/ESFA COVID-19 funding	3,498	3,498	420
	<hr/> 3,498	<hr/> 3,498	<hr/> 25,380
	<hr/> 1,491,521	<hr/> 1,491,521	<hr/> 1,392,850
	<hr/> 1,491,521	<hr/> 1,491,521	<hr/> 1,392,850
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	<hr/> <hr/> 1,392,850	<hr/> <hr/> 1,392,850	

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

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	2,714	111	2,825	6,040
Insurance claims	-	6,450	6,450	3,796
Lettings	18,169	-	18,169	16,775
	<u>20,883</u>	<u>6,561</u>	<u>27,444</u>	<u>26,611</u>
Total 2021	<u>22,811</u>	<u>3,800</u>	<u>26,611</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income - local cash	<u>144</u>	<u>144</u>	<u>14</u>
Total 2021	<u>14</u>	<u>14</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on raising voluntary income:					
Direct costs	-	-	9,442	9,442	16,576
Expenditure on fundraising trading activities:					
Direct costs	-	-	2,218	2,218	(877)
Educational activities:					
Direct costs	1,039,181	-	66,082	1,105,263	1,020,648
Allocated support costs	228,412	160,064	168,013	556,489	514,377
	<u>1,267,593</u>	<u>160,064</u>	<u>245,755</u>	<u>1,673,412</u>	<u>1,550,724</u>
Total 2021	<u>1,157,925</u>	<u>147,119</u>	<u>245,680</u>	<u>1,550,724</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational activities	<u>1,105,263</u>	<u>556,489</u>	<u>1,661,752</u>	<u>1,535,025</u>
Total 2021	<u>1,020,648</u>	<u>514,377</u>	<u>1,535,025</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,010,961	1,010,961	937,927
Educational supplies and services	36,527	36,527	24,343
Staff development	4,219	4,219	4,357
Other direct costs	25,336	25,336	25,108
Agency supply teaching costs	28,220	28,220	28,913
	<u>1,105,263</u>	<u>1,105,263</u>	<u>1,020,648</u>

Analysis of support costs

	Educational activities 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	11,000	11,000	8,000
Staff costs	121,412	121,412	117,085
Depreciation	82,772	82,772	76,478
Maintenance of premises and equipment	17,749	17,749	11,032
Cleaning	44,680	44,680	43,786
Rent & rates	5,899	5,899	6,554
Water and energy costs	15,782	15,782	20,424
Insurance	5,928	5,928	5,544
Other support costs	18,575	18,575	17,384
Universal infant free school meal costs	111,395	111,395	119,421
Non-cash pension costs	107,000	107,000	74,000
Governance costs	14,297	14,297	14,669
	<u>556,489</u>	<u>556,489</u>	<u>514,377</u>

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	82,772	76,478
Fees paid to auditors for:		
- audit	6,340	6,065
- other services	990	960
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	871,749	805,272
Social security costs	64,732	62,741
Pension costs	195,892	186,999
	<u>1,132,373</u>	<u>1,055,012</u>
Agency staff costs	28,220	28,913
Non-cash pension costs	107,000	74,000
	<u>1,267,593</u>	<u>1,157,925</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	15	12
Administration and support	28	27
Management	2	3
	<u>45</u>	<u>42</u>

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

10. Staff (continued)

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page . The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £158,524 (2021 - £170,906).

11. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Mrs C Cavallo	Remuneration	70,000 -	70,000 -
		75,000	75,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

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

12. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	3,534,933	101,983	62,808	3,699,724
Additions	33,097	-	10,445	43,542
At 31 August 2022	<u>3,568,030</u>	<u>101,983</u>	<u>73,253</u>	<u>3,743,266</u>
Depreciation				
At 1 September 2021	347,132	67,854	51,036	466,022
Charge for the year	70,026	4,824	7,922	82,772
At 31 August 2022	<u>417,158</u>	<u>72,678</u>	<u>58,958</u>	<u>548,794</u>
Net book value				
At 31 August 2022	<u>3,150,872</u>	<u>29,305</u>	<u>14,295</u>	<u>3,194,472</u>
At 31 August 2021	<u>3,187,801</u>	<u>34,129</u>	<u>11,772</u>	<u>3,233,702</u>

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,985	1,216
Prepayments and accrued income	27,881	20,202
Tax recoverable	19,004	13,075
Grants receivable	4,078	3,012
	<u>52,948</u>	<u>37,505</u>

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	1,875	1,875
Trade creditors	12,132	11,652
Other taxation and social security	15,694	13,313
Other creditors	21,188	19,650
Accruals and deferred income	110,619	94,548
	<u>161,508</u>	<u>141,038</u>
	2022 £	2021 £
Deferred income at 1 September 2021	81,705	79,447
Resources deferred during the year	90,343	81,705
Amounts released from previous periods	(81,705)	(79,447)
	<u>90,343</u>	<u>81,705</u>

At the balance sheet the academy trust was holding funds received in advance for the year 2022/23.

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

	2022 £	2021 £
Other loans	4,688	6,563

The loan is a Salix loan, unsecured and interest free, repayable in annual instalments of £1,875.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted general fund	284,227	32,503	(2,218)	-	-	314,512
The Charity Fund	40,140	14,421	(9,442)	-	-	45,119
	<u>324,367</u>	<u>46,924</u>	<u>(11,660)</u>	<u>-</u>	<u>-</u>	<u>359,631</u>
Restricted general funds						
GAG	149,672	1,309,404	(1,246,934)	(11,212)	-	200,930
UIFSM	-	104,790	(104,790)	-	-	-
Pupil premium	4,149	20,314	(24,463)	-	-	-
Catch-up premium	7,838	-	(7,838)	-	-	-
Other DfE/ESA covid-19 funding	-	3,498	(3,498)	-	-	-
Other grants	13,381	53,515	(66,896)	-	-	-
General	-	6,561	(6,561)	-	-	-
Pension reserve	(627,000)	-	(118,000)	-	745,000	-
	<u>(451,960)</u>	<u>1,498,082</u>	<u>(1,578,980)</u>	<u>(11,212)</u>	<u>745,000</u>	<u>200,930</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,252,004	7,465	(82,772)	11,212	-	3,187,909
Total Restricted funds	<u>2,800,044</u>	<u>1,505,547</u>	<u>(1,661,752)</u>	<u>-</u>	<u>745,000</u>	<u>3,388,839</u>
Total funds	<u>3,124,411</u>	<u>1,552,471</u>	<u>(1,673,412)</u>	<u>-</u>	<u>745,000</u>	<u>3,748,470</u>

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

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

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted general fund	257,691	25,774	762	-	-	284,227
The Charity Fund	43,487	13,114	(16,461)	-	-	40,140
	<u>301,178</u>	<u>38,888</u>	<u>(15,699)</u>	<u>-</u>	<u>-</u>	<u>324,367</u>
Restricted general funds						
GAG	180,852	1,090,304	(1,095,569)	(25,915)	-	149,672
UIFSM	-	111,595	(111,595)	-	-	-
Pupil premium	-	19,886	(15,737)	-	-	4,149
Catch-up premium	-	24,960	(17,122)	-	-	7,838
Other DfE/ESA covid-19 funding	-	420	(420)	-	-	-
Other grants	-	145,685	(132,304)	-	-	13,381
General	-	3,800	(3,800)	-	-	-
Restricted Fund 14	(432,000)	-	(82,000)	-	(113,000)	(627,000)
	<u>(251,148)</u>	<u>1,396,650</u>	<u>(1,458,547)</u>	<u>(25,915)</u>	<u>(113,000)</u>	<u>(451,960)</u>

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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	2,541,304	761,263	(76,478)	25,915	-	3,252,004
Total Restricted funds	2,290,156	2,157,913	(1,535,025)	-	(113,000)	2,800,044
Total funds	2,591,334	2,196,801	(1,550,724)	-	(113,000)	3,124,411

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	-	-	3,194,472	3,194,472
Current assets	359,631	360,563	-	720,194
Creditors due within one year	-	(159,633)	(1,875)	(161,508)
Creditors due in more than one year	-	-	(4,688)	(4,688)
Total	359,631	200,930	3,187,909	3,748,470

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,233,702	3,233,702
Current assets	324,367	314,203	26,740	665,310
Creditors due within one year	-	(139,163)	(1,875)	(141,038)
Creditors due in more than one year	-	-	(6,563)	(6,563)
Provisions for liabilities and charges	-	(627,000)	-	(627,000)
Total	324,367	(451,960)	3,252,004	3,124,411

19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(120,941)	646,077
Adjustments for:		
Depreciation	82,772	76,478
Capital grants from DfE and other capital income	(7,465)	(761,263)
Interest receivable	(144)	(14)
Defined benefit pension scheme cost less contributions payable	107,000	74,000
Defined benefit pension scheme finance cost	11,000	8,000
(Increase)/decrease in debtors	(15,443)	6,205
Increase/(decrease) in creditors	20,470	(20,428)
Net cash provided by operating activities	77,249	29,055

20. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(1,875)	(1,875)
Net cash used in financing activities	(1,875)	(1,875)

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21. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	144	14
Purchase of tangible fixed assets	(43,542)	(774,549)
Capital grants from DfE Group	7,465	7,263
Capital funding received from sponsors and others	-	754,000
Net cash used in investing activities	(35,933)	(13,272)

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	667,246	627,805
Total cash and cash equivalents	667,246	627,805

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	627,805	39,441	667,246
Debt due within 1 year	(1,875)	-	(1,875)
Debt due after 1 year	(6,563)	1,875	(4,688)
	619,367	41,316	660,683

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 West Sussex County Council Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2022.

Contributions amounting to £21,188 were payable to the schemes at 31 August 2022 (2021 - £19,650) and are included within creditors.

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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 2024.

The employer's pension costs paid to TPS in the year amounted to £123,994 (2021 - £121,551).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £82,000 (2021 - £83,000), of which employer's contributions totalled £65,000 (2021 - £66,000) and employees' contributions totalled £17,000 (2021 - £17,000). The agreed contribution rates for future years are 21.9 per cent for employers and between 5.5 and 6.5 per cent for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

West Sussex County Council Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	3.55	3.40
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90

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

	2022	2021
	Years	Years
Retiring today		
Males	21.9	22.1
Females	24.2	24.4
Retiring in 20 years		
Males	22.8	23.1
Females	25.9	26.1

Sensitivity analysis

West Sussex County Council Pension Fund

	2022	2021
	£000	£000
Discount rate -0.1%	30	50
Mortality assumption - 1 year increase	53	86
CPI rate +0.1%	28	44

Share of scheme assets

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	763,000	792,000
Corporate bonds	498,000	548,000
Property	249,000	122,000
Cash and other liquid assets	47,000	61,000
Total market value of assets	1,557,000	1,523,000

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24. Pension commitments (continued)

The actual return on scheme assets was £(52,000) (2021 - £208,000).

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

	2022 £	2021 £
Current service cost	(172,000)	(140,000)
Interest income	26,000	21,000
Interest cost	(37,000)	(29,000)
Total amount recognised in the Statement of Financial Activities	(183,000)	(148,000)

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

	2022 £	2021 £
At 1 September	2,150,000	1,654,000
Current service cost	172,000	140,000
Interest cost	37,000	29,000
Employee contributions	17,000	17,000
Actuarial (gains)/losses	(797,000)	321,000
Benefits paid	(22,000)	(11,000)
At 31 August	1,557,000	2,150,000

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

	2022 £	2021 £
At 1 September	1,523,000	1,222,000
Interest income	26,000	21,000
Actuarial (losses)/gains	(52,000)	208,000
Employer contributions	65,000	66,000
Employee contributions	17,000	17,000
Benefits paid	(22,000)	(11,000)
At 31 August	1,557,000	1,523,000

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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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26. 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.

Mr D Smith, a Member, has declared an interest in "The Little Teahouse (Southwater) Limited", a company in which he and his wife and daughter have an interest. The academy purchased supplies from this company to the value of £nil (2021: £110) in the period. There were no amounts outstanding at 31 August 2022 or 31 August 2021.

Mrs J Legg, a Trustee, has declared an interest in "Training Legs First Aid", a business of which she is the proprietor. The academy purchased staff training services from this business to the value of £nil (2021: £900) in the period. There were no amounts outstanding at 31 August 2022.

