
THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

Members	Mr Douglas Smith (appointed 23/02/2011) Ms Maureen Richards (appointed 23/02/2011) Mrs Diane Dowling (appointed 23/02/2011)
Trustees	Mrs Clare Quinlisk (19/01/2021 Chair Mr Peter Buckley (12/10/2018) Mrs Katy Tyrrell (16/03/2021) Vice Chair Mrs Karen James (08/12/2021 - 29/03/23) Mrs Jenny Legg (27/11/2020) Ms Nava Flower (27/11/2020) Mrs Deborah O'Toole-Quinn (18/01/23) Mrs Katherine Yardley-Turpin (21/06/23)
Company registered number:	07540811
Company name:	The Southwater Infant Academy
Principal and registered office:	Worthing Road Southwater West Sussex RH13 9JH
Chief Executive Officer:	Mrs Christie Cavallo
Senior management:	Mrs Christie Cavallo, Head Teacher Mr Matthew White Deputy Head Teacher
Independent auditors:	BKL Audit LLP 35 Ballards Lane London N3 1XW
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 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. 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 299 in the school census in Autumn 2022.

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:

- The Head Teacher
- A minimum of 2 Parent Trustees
- Co-opted Trustees
- Up to 3 Trustees appointed by the Members
- 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 10 Circular Board meetings. The training and induction provided for new Trustees depended on their existing experience. Where necessary an induction provided training on charity and educational legal and financial matters.

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Organisational Structure

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

The body of Trustees 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 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 have 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 Board of Trustees for approval.

Objectives, Strategies and Activities

The principal objective 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 refer 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.

The Academy undertook self-evaluation activities to correctly identify objectives for the year 2022/2023. The three key objectives covering continuing development priorities were:

Improve outcomes for the lowest 20% in Reading and Phonics

The baseline assessments for children were completed at the start of the year for EYFS, and at the end of summer for Years 1 and 2. This enabled targeted teaching to take place in class, along with phonics interventions groups for children identified as needing additional support. Early Morning phonics booster groups were set up for Year 1 and Year 2 to provide additional support for children who were at risk of not passing the phonics screening test, and Switch On Reading was used in Year 2 to help children catch up with reading.

During phonics sessions, active assessment was used to identify children who would benefit from same day interventions to address misconceptions or to embed learning. These interventions were used to avoid children falling behind, and to help them keep up.

Pupil progress meetings monitored phonics progress over the year, and further monitoring was completed by the Reading and Phonics Lead. Areas for professional development were identified from this, and further phonics training provided for some staff.

Phonics outcomes in Year 1 were maintained at 84% - of the 14 children who did not pass, 7 had high SEND needs.

Year 2 outcomes for phonics improved from last year by 13% to 41% - of the 10 children who did not pass, 8 had high SEND needs.

Outcomes for Reading across the academy were good:

EYFS – 83% Expected, with 99% of children making at least expected progress.

Year 1 – 83% Expected +, with 97% of children making at least expected progress

Year 2 – 77% Expected +, with 89% of children making at least expected progress

All the children identified as the lowest 20% in each year group made at least expected progress.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, Strategies and Activities (continued)

Introduce the Thrive Approach across the academy, improving SEMH support for children and increased engagement with learning

At the start of the year, a whole school INSET was held to launch Thrive with all staff. This fitted with the revisions made to the academy behaviour policy, as the Thrive approach was used to form the basis of this. Due to the training, all staff better understood the reasons behind some of the challenging behaviour being seen at school, and a clearer understanding of how to respond to it. As profiling had already been completed by the teachers in KS1 at the end of the summer term, the Thrive practitioners were able to start working with key children straight away. To track the progress of the children, monitoring records were created and shared across the pastoral team. Regular check ins were also held between the Thrive practitioners and the Headteacher to ensure that any early issues were resolved. At the October half term, the new reception children were profiled, and children identified as needing support were added to the Thrive practitioners' groups.

At the end of the autumn term, the Thrive practitioners re-profiled the children they were working with. All children had shown progress, with some making very rapid progress. Discussions were had with class teachers to evaluate progress in class too, and as a result it was decided that some of these children no longer needed Thrive support and were managing very successfully now in the classroom. This gave the opportunity for new children to start Thrive. Re-profiling was done again at the end of the spring and summer term, along with continued discussions with class teachers, and all children continued to make good progress. All data and tracking were recorded on the Thrive monitoring sheets that were shared with the pastoral team to ensure that everyone could see and track progress.

At the start of the spring term, further training was done with class teachers to enable them to identify key areas for development across their class. They were then shown how to create a class action plan, with strategies and activities that could be done in class to support all children. All teachers created an action plan for their class to support SEMH for all children.

The impact of Thrive across the school was very positive. Over the year, children exhibited better use of language to talk about what had happened when things went wrong. Outbursts became less severe, and children became better at self-regulation and reflection. Behaviour incidents in behaviour logs and on CPOMS reduced over the year – going from 33 serious incidents in October, to just 10 in July. The academic impact of this at the end of the year was not huge, mainly due to the short time frame that support was in place, however it would be expected that this would be more noticeable over the coming years. As we have moved into the new academic year, children still at the academy are continuing to demonstrate improved use of self-regulation and feedback from the junior academy has been positive, telling us that the angry outbursts are fewer, and children are remaining better regulated.

Moving forwards, the next step for us is to add Thrive into our PSHEC curriculum, ensuring it is embedded into the everyday teaching and practice at the academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, Strategies and Activities (continued)

To continue to improve the outcomes in reading, writing and mathematics for disadvantaged / Pupil Premium children

With a change of SLT at the start of the year, the opportunity was taken to restructure and revise the leadership team. A new Deputy Headteacher joined the academy in September, and with previous experience in curriculum improvement, this was an area that was assigned to him. Areas such as vocabulary, sticky knowledge and cultural capital were a particular focus for the curriculum improvement, as these are key areas that benefit progress and outcomes for disadvantaged children. An action plan was agreed for this and INSET provided to launch the target. Release time was provided for subject leaders to work alongside the Deputy Head, providing coaching and support in the curriculum improvements required. All subject areas were revised over the year, with explicit vocabulary listed, along with cultural capital and sticky knowledge. The new plans were rolled out term by term, with the whole curriculum completed by the end of the summer. This revised curriculum has provided more opportunities for children to revisit and embed learning, and a clearer progression that ensures knowledge and skills build over time. This will have a positive impact on all children but will particularly support the progress and outcomes of disadvantaged learners.

Metacognition was also an area of focus over the year, with CPD provided for teaching staff from the Early Years Lead. This provided the opportunity for increased leadership experience for her, and a raised profile of the importance of metacognition in helping children to learn. This will be an ongoing target for the next few years, to ensure that the use of metacognition is firmly embedded across the school. Early signs of impact have been positive, with children beginning to talk more confidently about how to complete task, and what they might need or use to help them.

Attendance monitoring was also reviewed at the start of the year, with a number of disadvantaged children over the previous year having lower attendance than their peers. An early morning breakfast club was set up with one of our Thrive practitioners to support those children reluctant to come in to school, and close monitoring and timely intervention was used when children's attendance began to drop. As a result, attendance improved overall, with the academy remaining above the national attendance figures throughout the year (FFT Data). Key disadvantaged children showed substantially improved attendance over the year, with one child's attendance not only improving by 6% from the previous year, but the parent also commented on improved relations with the child and better mornings due to them being more eager to come to school.

Revisions were also made to the academy behaviour policy and procedures after a difficult year managing challenging behaviour. A targeted approach was taken to supporting key children in class through careful staffing arrangements and the introduction of Thrive. High Needs staffing was arranged first when completing the staffing plan to ensure behaviour needs would be met, and children particularly struggling with behaviour started the Thrive intervention to support with managing emotions and regulation. Alongside this, the changes in policies and practices were introduced at INSET, where teachers worked alongside SLT to revise the policy, ensuring buy in and better consistency of approach. The draft policy was then shared with support staff, who suggested further revisions. Once all staff had given input, the policy was finalised and shared with trustees. The outcome was a noticeable increase in consistency and confidence from staff in managing behaviour. The creation of clearer boundaries and expectations supported children, and the Thrive work for key children enabled them to begin to manage their behaviour and show better responses when things went wrong. This resulted in less disruption to classes, improved learning environments for all children, and staff able to spend more time teaching children rather than focussing so much on behaviour management.

Pupil progress meetings were held throughout the year, with all groups of children, including disadvantaged children, discussed. Where concerns were raised, conversations were had around how to make improvements, and where CPD was identified as useful, this was sourced and booked for staff (e.g. PDA training, phonics training, team teach training, fluency in number training)

Outcomes for Disadvantaged children:

EYFS GLD 100% (only 1 disadvantaged child)
Year 1 83% RWM
Year 2 57% RWM

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TRUSTEES' REPORT (CONTINUED)
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Public Benefit

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

The Academy makes best use of its 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 Fair
- 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. It's net current assets at 31 August 2023 were £578,589. 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 to ensure that outcomes continued to improve following the covid 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 children in need of additional support to catch up, focussing on Phonics and Reading.

The academy curriculum was review and revised, with an increased focus on learning experiences and cultural capital. This resulted in increased opportunities for children through the use of clubs, visits and visitors.

Following on from concerns noted the previous year that a number of children were struggling with social, emotional and mental health issues, staffing was organised carefully at the start of the year to ensure high needs children had the best support possible, and further CPD was arranged to upskill staff. The academy introduced the Thrive Approach in response to the issues identified last year, with two trained Thrive Practitioners working alongside key children to support regulation and managing emotions. This impacted all children through classrooms becoming calmer and created better environments for learning. made the decision to begin implementing the Thrive Approach. We aim to embed Thrive into the academy curriculum over the next academic year to ensure that children become more secure in managing their emotions, ensuring outcomes overall continue to improve.

End of EYFS Results – July 2023

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 16% 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 63.4% (County 67%, National 67%)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The achievement and performance of learners (continued)

End of Key Stage 1 Results – July 2023

All KS1 tests and teacher assessments were carried out as required at the end of the year. The Year 2 group had a high level of high needs children, which impacted the outcomes overall. This was cohort specific rather than a data trend.

The analysis of internal monitoring has highlighted the following:

Reading

- Expected Standard **SIA 77%** (County 67%, National 68%)
- Greater Depth **SIA 25%** (County 14%, National 19%)

Reading outcomes show a real strength in meeting year group expectations, and improvements from last year show Greater Depth outcomes above National.

Writing

- Expected Standard **SIA 51%** (County 56%, National 60%)
- Greater Depth **SIA 3%** (County 5%, National 8%)

Writing outcomes have dipped below the National figure. This is mainly due to the high number of SEND and high needs children in Year 2. Writing will be a key focus over the coming academic year however, to ensure that outcomes improve.

Maths

- Expected Standard **SIA 74%**, (County 69%, National 70%)
- Greater Depth **SIA 23%** (County 11%, National 16%)

Maths expectations show a strength in meeting and exceeding year group expectations. This reflects the work currently being done at the academy alongside the West Sussex Maths Hub.

Science

- Expected Standard **SIA 91%** (County 78%, National 78%)

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 **82%** (County 78%, National 79%) Year 2 - 33% County 58%, National 59%)

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 2023/2024

- Phonics outcomes in 2022 for Year 2 to be at least in line with National outcomes.
- Embed the Maths Mastery approach, including fluency in number across all year groups.
- Incorporate Thrive into the academy curriculum, particularly in the PSHEC plans.
- 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 children at risk of falling behind
- Participate in the West Sussex 'Write Way' project, looking at strategies to improve outcomes in writing

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

Restricted fund expenditure, including depreciation charges, totalled £1,715m of which £1,242m related to directly employed staff. Total income received was £1,652m.

Expenditure exceeded income by £63,370. Excluding depreciation charges, expenditure was £22,472 less than income.

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. A breakdown of grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities. 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 revenue grants received totalled £1.560m. The Academy also received grants of £23,655 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 £13,694 on fixed assets during 2022/23. Unspent grant for fixed assets will be carried forward into 2023/24.

A breakdown of grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Trustees received financial progress reports throughout the year and compared expenditure against the budget set at the beginning of the year and submitted to the Education and Skills Funding Agency. Trustees also reviewed 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 Trustees 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 2023 was £3.698m. This balance comprises unrestricted funds of £394,503, restricted general funds of £169,783 and restricted fixed asset funds of £3.134m. The amount of designations made in relation to the unrestricted reserves totals to nil.

Excluding fixed asset funds, total reserves were £564,286 at 31 August 2023. It is expected that £300,000 of these reserves will be used in the three year period to 31 August 2026 and the Trustees will propose the creation of a Three Year Viability Reserve for this purpose.

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. 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.

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TRUSTEES' REPORT (CONTINUED)
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Reserves Policy (continued)

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 Academy is also aware of funding pressures such as nationally agreed pay increases and the impact of inflation on supplies and services. Reductions in pupil numbers is also having an adverse impact 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.

No investments were held at 31 August 2023.

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.

Trustees 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.

Fundraising

The Academy engages in fundraising throughout the academic year, both for specific projects and to augment the annual education budget. During the year the academy ran a number of fundraising events, including a Scarecrow Trail, Christmas Fair, Christmas Card fundraiser, Easter Raffle and the Mini Marathon. The income and expenditure pertaining to all fundraising activities (including the allocation of funds) is independently reviewed by the Responsible Officer, who reports 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.

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Plans for future periods

The Academy has an ongoing programme of repairs and maintenance and a prioritised improvement plan. With the additional capital funds received from the Government Energy Grant, the academy is investigating the installation of solar panels. This would not only provide a more climate friendly form of electricity generation but would also reduce ongoing energy costs for the academy going forwards.

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 2024, however staff planning is taking account of this to avoid redundancy costs where possible.

The key targets for 2023/24 are;

- Improve outcomes in writing across all groups of children in KS1
- Embed the academy behaviour policy and practices, reflecting Ready, Respectful, and Safe behaviours.
- Begin to embed the Thrive Approach across the academy
- Broaden the range of learning experiences for the children across the academy
- Further develop subject leadership, through embedding overviews and a focus on monitoring
- Improve outcomes in communication and language at the end of EYFS

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and/or 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 13 December 2023 and signed on the Board's behalf by:

Clare Quinlisk
Chair of Trustees

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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 10 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
Mrs C Quinlisk	9	10
Mrs C Cavallo, Head Teacher	9	10
Mr Peter Buckley	9	10
Mrs Jenny Legg	10	10
Mrs Nava Flower	6	10
Mrs Katy Tyrrell	8	10
Mrs Karen James	6	7
Mrs Deborah O'Toole-Quinn	3	6
Mrs Katherine Yardley-Turpin	2	2

The Finance & Audit Committee sat within the Circular Board for part of the year. At the recommendation of the external auditor it is again a separate committee and met on 7th June. Its purpose is to monitor the finances of the academy and ensure that resources are used for the purposes intended.

Attendance of the Finance & Audit Committee as below:

Trustee	Meetings attended	Out of a possible
Mrs C Cavallo	10	11
Mr P Buckley	10	11
Mrs C Quinlisk	10	11
Mrs Jenny Legg	10	11
Mrs Nava Flower	6	11
Mrs Katy Tyrrell	9	11
Mrs Karen James	6	7
Mrs Deborah O'Toole-Quinn	3	6
Mrs Katherine Yardley-Turpin	2	2

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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 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 2022-23 was that there were 7 Trustees, consisting of 3 parents and 4 co-opted. These are in addition to 3 Members.

The Chair of Trustees is Clare Quinlisk. The Vice-Chair is Katy Tyrrell.

Co-opted Trustees are; Peter Buckley, Katy Tyrrell, Deborah O'Toole Quinn and Katherine Yardley-Turpin

Parent Trustees are; Nava Flower, Jenny Legg and Clare Quinlisk

In 2022/23 the Academy committee structure was:

- Circular Board comprising all Trustees. The Members also **attend** the Annual Meeting.
- Finance and **Audit**, chaired by Peter Buckley, with delegated responsibility for financial **governance** and compliance, including authorisation of the annual budget statement and internal audit.

Trustees have specific monitoring responsibilities that they conduct on behalf of the wider board. All Trustees work on a voluntary basis. Trustees have also used a new monitoring schedule very successfully, led by Mrs Katy Tyrell, 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 2022/23 included the phonics scheme and the impact of lockdown on disadvantaged children.

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

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 at risk of falling behind was provided 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 2022 to 31 August 2023 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Board 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 SOUTHWATER INFANT ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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:

- Cyber Security
- Attendance
- Pupil Admission Number

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 13 December 2023 and signed on their behalf by:

Clare Quinlisk
Chair of Trustees

Christie Cavallo
Accounting Officer

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Southwater Infant Academy I have considered my responsibility to notify the academy trust 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, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 2022.

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.

Christie Cavallo
Accounting Officer
Date: 13 December 2023

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THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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 13 December 2023 and signed on its behalf by:

Clare 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 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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
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**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
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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
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**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.

Carly Pinkus (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

13 December 2023

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 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 13 December 2023

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	32,791	-	23,655	56,446	33,362
Other trading activities	5	23,466	4	-	23,470	27,444
Investments	6	2,725	9,000	-	11,725	144
Charitable activities	4	-	1,560,377	-	1,560,377	1,491,521
Total income		58,982	1,569,381	23,655	1,652,018	1,552,471
Expenditure on:						
Raising funds		24,110	-	-	24,110	11,660
Charitable activities	7	-	1,605,436	85,842	1,691,278	1,661,752
Total expenditure		24,110	1,605,436	85,842	1,715,388	1,673,412
Net income/(expenditure)		34,872	(36,055)	(62,187)	(63,370)	(120,941)
Transfers between funds	17	-	(8,092)	8,092	-	-
Net movement in funds before other recognised gains/(losses)		34,872	(44,147)	(54,095)	(63,370)	(120,941)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	24	-	13,000	-	13,000	745,000
Net movement in funds		34,872	(31,147)	(54,095)	(50,370)	624,059
Reconciliation of funds:						
Total funds brought forward		359,631	200,930	3,187,909	3,748,470	3,124,411
Net movement in funds		34,872	(31,147)	(54,095)	(50,370)	624,059
Total funds carried forward		394,503	169,783	3,133,814	3,698,100	3,748,470

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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	3,122,324	3,194,472
		3,122,324	3,194,472
Current assets			
Debtors	14	43,510	52,948
Cash at bank and in hand		683,242	667,246
		726,752	720,194
Creditors: amounts falling due within one year	15	(148,163)	(161,508)
Net current assets		578,589	558,686
Total assets less current liabilities		3,700,913	3,753,158
Creditors: amounts falling due after more than one year	16	(2,813)	(4,688)
Net assets excluding pension asset		3,698,100	3,748,470
Total net assets		3,698,100	3,748,470
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	3,133,814	3,187,909
Restricted income funds	17	169,783	200,930
Total restricted funds	17	3,303,597	3,388,839
Unrestricted income funds	17	394,503	359,631
Total funds		3,698,100	3,748,470

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue on 13 December 2023 and are signed on their behalf, by:

Clare 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	19	5,185	77,249
Cash flows from investing activities	21	12,686	(35,933)
Cash flows from financing activities	20	(1,875)	(1,875)
Change in cash and cash equivalents in the year		15,996	39,441
Cash and cash equivalents at the beginning of the year		667,246	627,805
Cash and cash equivalents at the end of the year	22, 23	683,242	667,246

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 2023

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 2022 to 2023 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.

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

THE SOUTHWATER INFANT ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure

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

- **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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FOR THE YEAR ENDED 31 AUGUST 2023

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 - 5 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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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 2023. 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 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	32,791	-	32,791	25,897
Capital Grants	-	23,655	23,655	7,465
	<u>32,791</u>	<u>23,655</u>	<u>56,446</u>	<u>33,362</u>
Total 2022	<u>25,897</u>	<u>7,465</u>	<u>33,362</u>	

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4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants			
GAG	1,319,365	1,319,365	1,309,404
Other DfE/ESFA grants			
UIFSM	108,011	108,011	104,790
Pupil premium	23,874	23,874	20,314
Others	24,448	24,448	25,009
Supplementary grant	37,734	37,734	11,610
Mainstream school additional grant	17,311	17,311	-
	<hr/> 1,530,743	<hr/> 1,530,743	<hr/> 1,471,127
Other Government grants			
Local authority grants	29,634	29,634	20,394
	<hr/> 29,634	<hr/> 29,634	<hr/> 20,394
	<hr/> 1,560,377	<hr/> 1,560,377	<hr/> 1,491,521
	<hr/> 1,560,377	<hr/> 1,560,377	<hr/> 1,491,521
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2022	<hr/> <hr/> 1,491,521	<hr/> <hr/> 1,491,521	

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other income	5,315	4	5,319	2,825
Insurance claims	-	-	-	6,450
Lettings	18,151	-	18,151	18,169
	<hr/> 23,466	<hr/> 4	<hr/> 23,470	<hr/> 27,444
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2022	<hr/> <hr/> 20,883	<hr/> <hr/> 6,561	<hr/> <hr/> 27,444	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	2,725	-	2,725	144
Pension income	-	9,000	9,000	-
	<u>2,725</u>	<u>9,000</u>	<u>11,725</u>	<u>144</u>
	<u>144</u>	<u>-</u>	<u>144</u>	
Total 2022	<u>144</u>	<u>-</u>	<u>144</u>	

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on raising voluntary income:					
Direct costs	-	-	21,936	21,936	9,442
Expenditure on fundraising trading activities:					
Direct costs	-	-	2,174	2,174	2,218
Educational activities:					
Direct costs	1,155,697	-	56,554	1,212,251	1,105,263
Allocated support costs	143,407	158,934	176,686	479,027	556,489
	<u>1,299,104</u>	<u>158,934</u>	<u>257,350</u>	<u>1,715,388</u>	<u>1,673,412</u>
Total 2022	<u>1,267,593</u>	<u>147,119</u>	<u>258,700</u>	<u>1,673,412</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational activities	1,212,251	479,027	1,691,278	1,661,752
Total 2022	1,105,263	556,489	1,661,752	

Analysis of direct costs

	Educational activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,120,917	1,120,917	1,010,961
Educational supplies and services	26,225	26,225	36,527
Staff development	7,249	7,249	4,219
Other direct costs	23,080	23,080	25,336
Agency supply teaching costs	34,780	34,780	28,220
	1,212,251	1,212,251	1,105,263

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

Analysis of support costs

	Educational activities 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	-	-	11,000
Staff costs	121,407	121,407	121,412
Depreciation	85,842	85,842	82,772
Maintenance of premises and equipment	18,253	18,253	17,749
Cleaning	46,165	46,165	44,680
Rent & rates	6,874	6,874	5,899
Water and energy costs	13,795	13,795	15,782
Insurance	6,468	6,468	5,928
Other support costs	20,998	20,998	18,575
Universal infant free school meal costs	117,947	117,947	111,395
Non-cash pension costs	22,000	22,000	107,000
Governance costs	19,278	19,278	14,297
	<u>479,027</u>	<u>479,027</u>	<u>556,489</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	85,842	82,772
Fees paid to auditors for:		
- audit	6,500	6,340
- other services	1,500	990
	<u>8,000</u>	<u>7,330</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	949,002	871,749
Social security costs	79,536	64,732
Pension costs	213,786	195,892
	1,242,324	1,132,373
Agency staff costs	34,780	28,220
Non-cash pension costs	22,000	107,000
	1,299,104	1,267,593

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	14	12
Administration and support	29	27
Management	2	3
	45	42

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of 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 £203,752 (2022 - £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:

		2023 £	2022 £
Mrs C Cavallo	Remuneration	75,000 -	70,000 -
		80,000	75,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £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 2022	3,568,030	101,983	73,253	3,743,266
Additions	-	-	13,694	13,694
At 31 August 2023	<u>3,568,030</u>	<u>101,983</u>	<u>86,947</u>	<u>3,756,960</u>
Depreciation				
At 1 September 2022	417,158	72,678	58,958	548,794
Charge for the year	70,323	4,825	10,694	85,842
At 31 August 2023	<u>487,481</u>	<u>77,503</u>	<u>69,652</u>	<u>634,636</u>
Net book value				
At 31 August 2023	<u>3,080,549</u>	<u>24,480</u>	<u>17,295</u>	<u>3,122,324</u>
At 31 August 2022	<u>3,150,872</u>	<u>29,305</u>	<u>14,295</u>	<u>3,194,472</u>

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	-	1,985
Prepayments and accrued income	25,576	27,881
Tax recoverable	14,006	19,004
Grants receivable	3,928	4,078
	<u>43,510</u>	<u>52,948</u>

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FOR THE YEAR ENDED 31 AUGUST 2023**

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	1,875	1,875
Trade creditors	1,685	12,132
Other taxation and social security	20,120	15,694
Other creditors	20,588	21,188
Accruals and deferred income	103,895	110,619
	<u>148,163</u>	<u>161,508</u>
	<u>148,163</u>	<u>161,508</u>
	2023	2022
	£	£
Deferred income at 1 September 2022	90,343	81,705
Resources deferred during the year	79,490	90,343
Amounts released from previous periods	(90,343)	(81,705)
	<u>79,490</u>	<u>90,343</u>
	<u>79,490</u>	<u>90,343</u>

At the balance sheet the academy trust was holding funds received in advance for the year 2023/24.

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

	2023	2022
	£	£
Other loans	2,813	4,688
	<u>2,813</u>	<u>4,688</u>

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 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted general fund	314,512	26,675	4,958	-	-	346,145
The Charity Fund	45,119	32,307	(29,068)	-	-	48,358
	<u>359,631</u>	<u>58,982</u>	<u>(24,110)</u>	<u>-</u>	<u>-</u>	<u>394,503</u>
Restricted general funds						
GAG	200,930	1,319,365	(1,342,420)	(8,092)	-	169,783
UIFSM	-	108,011	(108,011)	-	-	-
Pupil premium	-	23,874	(23,874)	-	-	-
Other DfE funding	-	24,448	(24,448)	-	-	-
Supplementary grant	-	37,734	(37,734)	-	-	-
Mainstream school additional grant	-	17,311	(17,311)	-	-	-
Other grants	-	29,634	(29,634)	-	-	-
General	-	4	(4)	-	-	-
Pension reserve	-	9,000	(22,000)	-	13,000	-
	<u>200,930</u>	<u>1,569,381</u>	<u>(1,605,436)</u>	<u>(8,092)</u>	<u>13,000</u>	<u>169,783</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,187,909	23,655	(85,842)	8,092	-	3,133,814
Total Restricted funds	<u>3,388,839</u>	<u>1,593,036</u>	<u>(1,691,278)</u>	<u>-</u>	<u>13,000</u>	<u>3,303,597</u>
Total funds	<u>3,748,470</u>	<u>1,652,018</u>	<u>(1,715,388)</u>	<u>-</u>	<u>13,000</u>	<u>3,698,100</u>

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

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17. Statement of funds (continued)

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.

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 2023.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	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>359,631</u>
Restricted general funds					
GAG	149,672	1,309,404	(1,246,934)	-	200,930
UIFSM	-	104,790	(104,790)	-	-
Pupil premium	4,149	20,314	(24,463)	-	-
Other DfE/ESFA covid-19 funding	-	3,498	(3,498)	-	-
Other grants	13,381	53,515	(66,896)	-	-
General	-	6,561	(6,561)	-	-
Catch-up premium	7,838	-	(7,838)	-	-
Pension reserve	(627,000)	-	(118,000)	745,000	-
	<u>(451,960)</u>	<u>1,498,082</u>	<u>(1,578,980)</u>	<u>745,000</u>	<u>200,930</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	<u>3,252,004</u>	<u>7,465</u>	<u>(82,772)</u>	<u>-</u>	<u>3,187,909</u>

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17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total Restricted funds	2,800,044	1,505,547	(1,661,752)	745,000	3,388,839
Total funds	3,124,411	1,552,471	(1,673,412)	745,000	3,748,470

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	3,122,324	3,122,324
Current assets	394,503	316,071	16,178	726,752
Creditors due within one year	-	(146,288)	(1,875)	(148,163)
Creditors due in more than one year	-	-	(2,813)	(2,813)
Total	394,503	169,783	3,133,814	3,698,100

Analysis of net assets between funds - prior 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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19. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(63,370)	(120,941)
Adjustments for:		
Depreciation	85,842	82,772
Capital grants from DfE and other capital income	(23,655)	(7,465)
Interest receivable	(2,725)	(144)
Defined benefit pension scheme cost less contributions payable	22,000	107,000
Defined benefit pension scheme finance cost	(9,000)	11,000
Decrease/(increase) in debtors	9,438	(15,443)
(Decrease)/increase in creditors	(13,345)	20,470
Net cash provided by operating activities	5,185	77,249

20. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(1,875)	(1,875)
Net cash used in financing activities	(1,875)	(1,875)

21. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	2,725	144
Purchase of tangible fixed assets	(13,694)	(43,542)
Capital grants from DfE Group	23,655	7,465
Net cash provided by/(used in) investing activities	12,686	(35,933)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	683,242	667,246
Total cash and cash equivalents	683,242	667,246

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23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	667,246	15,996	683,242
Debt due within 1 year	(1,875)	-	(1,875)
Debt due after 1 year	(4,688)	1,875	(2,813)
	<u>660,683</u>	<u>17,871</u>	<u>678,554</u>

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 valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2023.

Contributions amounting to £20,588 were payable to the schemes at 31 August 2023 (2022 - £21,118) and are included within creditors.

Teachers' Pension Scheme

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

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS impacting these financial statements 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 £126,779 (2022 - £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 2023 was £94,000 (2022 - £82,000), of which employer's contributions totalled £75,000 (2022 - £65,000) and employees' contributions totalled £19,000 (2022 - £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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

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

Principal actuarial assumptions

West Sussex County Council Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	4.50	3.55
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

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

	2023	2022
	Years	Years
Retiring today		
Males	21.6	21.9
Females	24.1	24.2
Retiring in 20 years		
Males	24.2	22.8
Females	25.1	25.9

Sensitivity analysis

West Sussex County Council Pension Fund

	2023	2022
	£000	£000
Discount rate -0.1%	28	30
Mortality assumption - 1 year increase	52	53
CPI rate +0.1%	27	28

Share of scheme assets

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

	At 31	At 31 August
	August 2023	2022
	£	£
Equities	789,000	763,000
Corporate bonds	462,000	498,000
Property	208,000	249,000
Cash and other liquid assets	30,000	47,000
Total market value of assets	1,489,000	1,557,000

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24. Pension commitments (continued)

The actual return on scheme assets was £(68,000) (2022 - £(52,000)).

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

	2023 £	2022 £
Current service cost	(97,000)	(172,000)
Interest income	68,000	26,000
Interest cost	(59,000)	(37,000)
Total amount recognised in the Statement of Financial Activities	(88,000)	(183,000)

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

	2023 £	2022 £
At 1 September	1,557,000	2,150,000
Current service cost	97,000	172,000
Interest cost	59,000	37,000
Employee contributions	17,000	17,000
Actuarial gains	(226,000)	(797,000)
Benefits paid	(15,000)	(22,000)
At 31 August	1,489,000	1,557,000

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

	2023 £	2022 £
At 1 September	1,557,000	1,523,000
Interest income	68,000	26,000
Actuarial losses	(213,000)	(52,000)
Employer contributions	75,000	65,000
Employee contributions	17,000	17,000
Benefits paid	(15,000)	(22,000)
At 31 August	1,489,000	1,557,000

25. Contingent asset

As at 31 August 2023, the actuarial valuation of the Local Government Pension Scheme was calculated as a surplus of £185,000 (2022: £227,000 surplus). As this valuation does not give rise to a virtually certain economic benefit for the trust, either in the form of a reduction in future contributions or a cash settlement, any surplus arising on the valuation is recognised solely as a contingent asset.

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26. Members' liability

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

27. Related party transactions

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

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 £225 (2022: £nil) in the period. There were no amounts outstanding at 31 August 2023.

28. Post balance sheet event

The supreme court ruling on Harpur vs Brazel (2022) has upheld the ruling impacting holiday pay for part time workers. Employers will now be required to revisit their historical holiday calculations to retrospectively apply this ruling. Whilst this will create a liability for the trust, the government are yet to produce guidance as to the specifics of the calculation required, and hence no accurate provision can currently be made.