

**Charity registration number 1172272**

**Company registration number 10288316 (England and Wales)**

**SANDWELL VALLEY SCHOOL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# SANDWELL VALLEY SCHOOL LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr G Walker Mr A J W Simpson Mrs M Hall
<b>Charity number</b>	1172272
<b>Company number</b>	10288316
<b>Principal address</b>	150 Birmingham Road West Bromwich West Midlands B70 6QT
<b>Registered office</b>	150 Birmingham Road West Bromwich West Midlands B70 6QT
<b>Auditor</b>	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH
<b>Governors</b>	G Walker A Simpson M Povey D Loughran P Bassi A Loughran A Coley

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# **SANDWELL VALLEY SCHOOL LIMITED**

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# **SANDWELL VALLEY SCHOOL LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The trustees present their report and financial statements for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

The Charity's objects are restricted specifically, and only for the public benefit, to promote and advance the education of people under the age of 25 years in Sandwell and surrounding areas in such ways as the Directors think fit, including by:

- (a) The provision and conduct of a day school at the premises known as Sandwell Valley School.
- (b) For such time as the School accepts people under the age of 25 on a fee-paying basis\*, the provision of scholarships, bursaries or assistance with fees awarded on the basis of merit.
- (c) The Academic year 2018/2019 received approval from DFE for a further increase in numbers from 140 to 175.

*\*Fees have been charged to referral agencies placing the pupil with SVS and not private individuals.*

*The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.*

The governors, who served during the period and up to the date of signature of the financial statements were:

G Walker  
A Simpson  
M Povey  
D Loughran  
P Bassi  
A Loughran  
A Coley

# **SANDWELL VALLEY SCHOOL LIMITED**

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

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### **Achievements and performance**

During academic year 2020/2021, the school provided education to the following number of students.

Number of students on roll total of 125 to date (July 2021).

Year 9: 16

Year 10: 24

Year 11: 70

Year 12: 15

With the exception of Year 12 who can self-refer, young people are all referred to the Sandwell Valley School by local schools in Sandwell including pupils from SMBC for those who do not have a school place. During 2020/2021, referrals were received from Walsall MBC, Birmingham MBC and Worcester MBC for looked after children residing temporarily in Sandwell. The student body includes new arrivals who have English as a second language, looked after children, special educational needs, and those who students who require a smaller nurturing education environment. In addition, 80% require assistance with school meals.

### **The impact of the pandemic**

In line with Government directive for lock down, the school was closed on the 23 March 2020 until September 2020 with exceptions to the most vulnerable children who attended the school throughout the period of lockdown.

School fully reopened in September 2020. There was inevitably an increase in expenditure which was incurred to ensure safety measures were in place. The reduction of student recruitment levels during the lockdown resulted in overall numbers on roll ending at 125 compared to 155 in 2019.

School continued to use online learning platforms to support students who had to self-isolate due to Covid 19. Staff absences peaked to 23% at certain times of the year which resulted in the merging of groups and commissioning of supply staff.

# SANDWELL VALLEY SCHOOL LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Outcomes for students

Students who would normally be due to sit public exams in summer 2021 - missed face-to-face teaching for most of the summer 2020 term. The process of awarding qualification results in summer 2021 the government and JCQ agreed that this year students' grades would be based on teacher assessed grades (TAGs) i.e. teacher judgements. A thorough programme, with built in support and clear milestones, was rigorously employed and adhered to by the school. The school employed a strategy that had equality and fairness and precision at the centre of the process for its disadvantaged students.

A total of 66 Year 11 and 12 took 206 individual GCSEs, covering a range of five subjects – Maths, English, Science, Citizenship and Religious Education.

Pupils that started mid way through year 11, subject to initial assessment, were entered for Functional Skills qualifications in English, Math and ICT. A total of 25 Year 11 and Year 12 took 36 individual Functional Skills examinations ranging from Entry Level 1 to Entry Level 3.

GCSE Subjects	No of learners entered	% achieving 4 or higher grade	% achieving < 3	Highest Grade achieved
English	59	32%	68%	7
Maths	59	47%	53%	9
Biology	3	100%	-	9-9
Chemistry	3	100%	-	9-9
Physics	3	100%	-	9-9
Combined Science	22	77%	23%	5-5
Citizenship	41	61%	39%	8
RE	16	81%	19%	9
TOTAL	206			

#### Financial review

The financial transactions of the charity are shown on pages 9 to 11.

Total income for the period was £1,053,511 (2020: period £2,424,881) and the total expenditure was £1,073,265 (2020: period £1,360,800) led to a deficit of £19,754 (2020: period £1,064,081 surplus). The directors consider the financial position of the charity to be satisfactory.

The breakdown of expenditure reflects the physical and human resources required by the School to operate and deliver the required education to young people. The school is regulated by Ofsted and has to meet the legal and educational requirements as specified within the Inspection framework.

The charity, at this stage, has no intention of building long term reserves. It will retain sufficient funds to fulfil pledges made for complying with their contractual obligations to commissioners.

Given the current economic climate, the school should maintain some surplus to overcome any recruitment difficulties due to changes in immigration laws (for new international arrivals) and the impact of the pandemic.

# **SANDWELL VALLEY SCHOOL LIMITED**

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

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### **School Development Plan**

1. Appointment of a Head of HR/support services to enhance the quality of admin and review and evaluate financial management to further improve school services.
2. Review GCSEs curriculum offer in line with school Catch up action plan
3. Purchase of software to support education offer and progress tracking systems
4. To continue with partnership arrangements to enhance science and sports provision.
5. Review curriculum requirements factoring in well-being and interventions which responds to the need for mental health support for young people.
6. External consultancy to monitor and evaluate quality assurance for teaching and learning standards
7. Appointment of an Inclusion Manager to further develop special education and safeguarding provision
8. Update and improve the school fencing/boundaries.
9. Update and install IT infrastructure, support and security.
10. Install new telephone system replacing the current system
11. Financial support towards professional qualifications for staff including NLP, Management Level 5 and NQT Induction programme.

# **SANDWELL VALLEY SCHOOL LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Structure, governance and management**

The charity is a company limited by guarantee. In the event of the company being wound up, the liabilities in respect of the guarantee are limited to £1 per member of the charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr G Walker

Mr A J W Simpson

Mrs M Hall

New or replacement trustees are recruited and appointed by the existing trustees. The Trustees and the Board of Governors meet four times a year to review the operations and performance of the School. A Governance statement is in place stating the objectives and expectations of governors.

During the July 2021 scheduled meeting, all Governors received Board papers outlining and an update on Ofsted regulations, Independent School requirements, Changes to GCSE due to pandemic and keeping children safe in education). Training is continually updated through scheduled meetings, Safeguarding/PREVENT, Leadership and Governance.

The purpose of the Board:

- Ensuring clarity of vision, ethos and strategic direction
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- Overseeing the financial performance of the organisation and making sure its money is well spent.

The Trustees are responsible to determine the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on the comparative positions across the sector.

The School's Principal (Head Teacher) is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

Sandwell Community Caring Trust (SCCT) registered charity number 1086162, is a charity whose Chief Executive Officer is a Trustee of Sandwell Valley School (SVS). Any transactions between SCCT & SVS are included in a note to the accounts.

In July 2016, all Governors received half a days training on Ofsted regulations and independent school requirements. This was carried out by an external consultant (previously an Ofsted inspector). Training is continually updated through scheduled meetings, safeguarding/prevent, leadership and governance.

The Trustees are responsible to determine the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on the comparative positions across the sector.

The School's Principal (Head Teacher) is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

Sandwell Community Caring Trust (SCCT) registered charity number 1086162, is a charity whose Chief Executive Officer is a Trustee of Sandwell Valley School (SVS). Any transactions between SCCT & SVS are included in a note to the accounts.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that CK Audit be reappointed as auditor of the company will be put at a General Meeting.



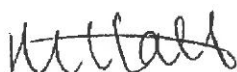
# **SANDWELL VALLEY SCHOOL LIMITED**

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

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The trustees' report was approved by the Board of Trustees.

**Mrs M Hall**  
Trustee  
Dated: 6 June 2022



# **SANDWELL VALLEY SCHOOL LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The trustees, who are also the directors of Sandwell Valley School Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **SANDWELL VALLEY SCHOOL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF SANDWELL VALLEY SCHOOL LIMITED**

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#### **Opinion**

We have audited the financial statements of Sandwell Valley School Limited (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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.

#### **Basis for opinion**

For accounting periods up to 31 March 2018 the company was able to claim an exemption from the requirement to appoint auditors and consequently prepared and filed financial statements that were not subject to audit. The company is no longer able to claim the audit exemption and the directors have appointed auditors in respect of the financial statements for the period ended 31 March 2019. We were unable to obtain sufficient appropriate audit evidence of the opening balances and the transactions recorded in the comparative period as the company was not previously subject to audit. Consequently we were unable to determine whether any adjustments to the comparative figures were necessary which may have had an effect on the profit to 31 March 2019.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

# **SANDWELL VALLEY SCHOOL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SANDWELL VALLEY SCHOOL LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

Subject to the comments above in the basis of qualified opinion paragraph, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

# **SANDWELL VALLEY SCHOOL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SANDWELL VALLEY SCHOOL LIMITED**

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We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the directors and management team and our general knowledge and experience of the charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP, legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for long term construction contracts including recognition of income and estimation of costs to complete;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **SANDWELL VALLEY SCHOOL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SANDWELL VALLEY SCHOOL LIMITED**

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#### **Use of our report**

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



**Frances Clapham (Senior Statutory Auditor)**  
for and on behalf of CK Audit

6 June 2022

**Chartered Accountants**  
**Statutory Auditor**

No 4 Castle Court 2  
Castlegate Way  
Dudley  
West Midlands  
DY1 4RH

# SANDWELL VALLEY SCHOOL LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Total 2020 £
	Notes		
<b><u>Income from:</u></b>			
Donations and legacies	3	11,129	28,218
Charitable activities	4	1,042,382	2,396,663
<b>Total income</b>		1,053,511	2,424,881
<b><u>Expenditure on:</u></b>			
Charitable activities	5	1,073,265	1,360,800
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(19,754)	1,064,081
Fund balances at 1 September 2020		1,732,253	668,172
<b>Fund balances at 31 August 2021</b>		1,712,499	1,732,253

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# SANDWELL VALLEY SCHOOL LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		59,050		62,015
<b>Current assets</b>					
Debtors	10	807,469		806,374	
Cash at bank and in hand		1,206,244		1,139,262	
		<u>2,013,713</u>		<u>1,945,636</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(360,264)</u>		<u>(275,398)</u>	
Net current assets			1,653,449		1,670,238
<b>Total assets less current liabilities</b>			<u>1,712,499</u>		<u>1,732,253</u>
<b>Income funds</b>					
Unrestricted funds			1,712,499		1,732,253
			<u>1,712,499</u>		<u>1,732,253</u>

The financial statements were approved by the Trustees on 6 June 2022



Mrs M Hall  
Trustee

Company registration number 10288316



# SANDWELL VALLEY SCHOOL LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2021**

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	14	66,982		1,095,835	
<b>Net cash used in investing activities</b>		-		-	
<b>Net cash used in financing activities</b>		-		-	
<b>Net increase in cash and cash equivalents</b>		66,982		1,095,835	
Cash and cash equivalents at beginning of year		1,139,262		43,427	
<b>Cash and cash equivalents at end of year</b>		1,206,244		1,139,262	

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# **SANDWELL VALLEY SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **1 Accounting policies**

##### **Charity information**

Sandwell Valley School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 150 Birmingham Road, West Bromwich, West Midlands, B70 6QT.

##### **1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

##### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

##### **1.5 Expenditure**

All expenditure is accounted for on an accruals basis. Salaries and central overhead costs are apportioned between costs of generating funds, charitable activities and governance costs based on estimate of staff time attributable to each.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and cash associated with the strategic management of the charity.

# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 1 Accounting policies

(Continued)

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	4% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Debtors**

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

#### **1.13 Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event and will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

##### **Useful economic lives of non-current assets**

The useful economic lives of non-current assets have been derived from the judgement of the Directors, using their best estimate of write down period.

##### **Bad debt provision**

A bad debt provision is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts due being fully recovered.

# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### **3 Donations and legacies**

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	-	250
Government Grants	11,129	27,968
	<u>11,129</u>	<u>28,218</u>

### **4 Charitable activities**

	Charitable Income	Charitable Income
	2021	2020
	£	£
Income within charitable activities	<u>1,042,382</u>	<u>2,396,663</u>

# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	473,062	592,801
Depreciation and impairment	2,965	4,200
Sessional workers & tutors	17,488	170,341
Insurance	7,474	16,227
Maintenance	26,939	35,006
Heat, light and power	20,197	18,866
Rent and leases	118,317	155,956
Sundries	91,019	83,440
Travel	5,681	11,289
Equipment purchases	4,629	18,081
Equipment hire / maintenance	3,909	8,160
Provisions	4,096	3,794
Agency costs	67,532	31,822
Bad debts	(30,510)	(35,652)
	<u>812,798</u>	<u>1,114,331</u>
Share of support costs (see note 6)	209,503	238,926
Share of governance costs (see note 6)	50,964	7,543
	<u>1,073,265</u>	<u>1,360,800</u>

### 6 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	200,141	-	200,141	207,073
Accountancy	2,272	-	2,272	18,780
Printing, postage, stationery & telephone	7,090	-	7,090	13,073
Audit fees	-	11,060	11,060	6,720
Legal and professional	-	39,904	39,904	823
	<u>209,503</u>	<u>50,964</u>	<u>260,467</u>	<u>246,469</u>
Analysed between Charitable activities	<u>209,503</u>	<u>50,964</u>	<u>260,467</u>	<u>246,469</u>

Governance costs includes payments to the auditors of £8,050 (2020: £5,600) for audit fees.

# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, for their role as trustee.

One of the Trustees, Mrs M Hall, is the Principal of the charity and is also a Director of Priorslee Academy. During the period there were no services provided to the charity and the trustee received remuneration during the period of £76,000 (2020: £108,493), received for her role as Principal.

#### 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	26	23
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	606,779	722,299
Social security costs	51,429	60,612
Other pension costs	14,995	16,963
	673,203	799,874

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1

# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Tangible fixed assets

	Leasehold land and buildings £
<b>Cost</b>	
At 1 September 2020	74,121
At 31 August 2021	74,121
<b>Depreciation and impairment</b>	
At 1 September 2020	12,106
Depreciation charged in the year	2,965
At 31 August 2021	15,071
<b>Carrying amount</b>	
At 31 August 2021	59,050
At 31 August 2020	62,015

### 10 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	780,179	765,369
Other debtors	3,004	-
Prepayments and accrued income	24,286	41,005
	807,469	806,374

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	12,283	10,464
Trade creditors	99,543	20,732
Other creditors	212,292	223,915
Accruals	36,146	20,287
	360,264	275,398



# SANDWELL VALLEY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 12 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	124,767	124,767
Between two and five years	486,754	491,521
In over five years	1,860,000	1,980,000
	<u>2,471,521</u>	<u>2,596,288</u>

#### 13 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>76,000</u>	<u>108,493</u>

##### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

G Walker is a trustee of Sandwell Community Caring Trust. During the year, the Charity was recharged expenses totalling £93,484 (2020: £1,192,147). At 31 August 2020 £97,626 (2020: £20,732) was due to Sandwell Community Caring Trust and this is included within trade creditors.

P Bassi has a significant interest in Real Estate Investors PLC. During the year, the Charity was charged rental costs of £92,011 (2020: £155,956).

#### 14 Cash generated from operations

	2021 £	2020 £
(Deficit)/surplus for the year	(19,754)	1,064,081
Adjustments for:		
Depreciation and impairment of tangible fixed assets	2,965	4,200
Movements in working capital:		
(Increase)/decrease in debtors	(1,095)	245,844
Increase/(decrease) in creditors	84,866	(218,290)
<b>Cash generated from operations</b>	<u>66,982</u>	<u>1,095,835</u>

# **SANDWELL VALLEY SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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**15 Analysis of changes in net funds**

The charity had no debt during the year.