



Sandwell Valley School Limited

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2022**

Company Registration Number
10288316 (England and Wales)

Registered Charity Number
1172272

**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2022

Contents	Page
Reference and Administrative Details	1
Trustees' Report	2
Statement of Trustees' Responsibilities	5
Independent Auditor's Report on the Financial Statements	6
Statement of Financial Activities incorporating Income & Expenditure Account	10
Balance Sheet	11
Statement of Cash Flows	12
Notes forming part of the Financial Statements, incorporating :	
Statement of Accounting Policies	13
Other Notes to the Financial Statements	17

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Reference and Administrative Details

Trustees	G Walker (31/10/2016 – date) M Hall (31/10/2016 – date) A Simpson (31/10/2016 – date)
Governors	M Povey D Loughran P Bassi A Loughran A Coley
Senior management team	
• Principal	M Hall
• Business Manager	S Scadeng
• Head of Inclusion Support	A Mackenzie
• Head of Curriculum	C Benzigar
• Head of Ops and Compliance	M Ros
• Head of Pastoral and Behaviour	J Taylor
Company name	Sandwell Valley School Limited
Principal and registered office	150 Birmingham Road West Bromwich West Midlands England B70 6QT
Company registration number	10288316
Charity registration number	1172272
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Barclays Bank Plc PO Box 299 Birmingham B1 3PF
Solicitors	The Peninsula Victoria Place Manchester M4 4FB

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Trustees' Report for the year ended 31 August 2022

The trustees present their report and financial statements for the year ended 31 August 2022.

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 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 (FRS102" (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:

- The provision and conduct of a day school at the premises known as Sandwell Valley School.

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

Achievements and performance

Sandwell Valley School was Inspected by Ofsted during June 2022, receiving an overall judgement of Outstanding in all areas:

The school provided education to the following number of students:

Number of students on roll total of 106 to date (July 2022)

Year	Number of Students
12	16
11	57
10	23
9	10
	106

Apart from Year 12 who can self-refer, young people are all referred to the Sandwell Valley School by schools including pupils from SMBC for those who do not have a school place. During 2021/2022, referrals were received from Walsall MBC, Birmingham MBC, and Worcester MBC. The student body includes new arrivals who have English as a second language, looked after children, special educational needs, and those students who require a smaller nurturing education environment. In addition, majority of students require assistance with school meals. SVS has a record of accomplishment of working with students who have missed out a significant amount of formal education. In some cases, this has been for considerable amount of time, resulting in significant gaps in their attainment, knowledge and skills. Curriculum and resources are planned to meet the needs of students. In particular, support with:

- 1) Emotional and wellbeing
- 2) Gaps in education and attainment
- 3) Improvement in attendance

Trustees' Report for the year ended 31 August 2022 (continued)

I. The impact of the pandemic

There was inevitably an increase in expenditure which was incurred to ensure Covid-19 safety measures were in place. The reduction of student recruitment levels during the lockdown resulted in overall numbers on roll ending at 106 in July 2022 compared to 125 in July 2021 and 156 in July 2020. There has been a downward trend with recruitment, some of this is due to changes in Council policy and focusing on referrals of students with more complex needs. This inevitably leads to targeted support and investment.

School continued to use online learning platforms i.e. GCSE pod, Google Classroom and Reading wise to support students absent from school at any point.

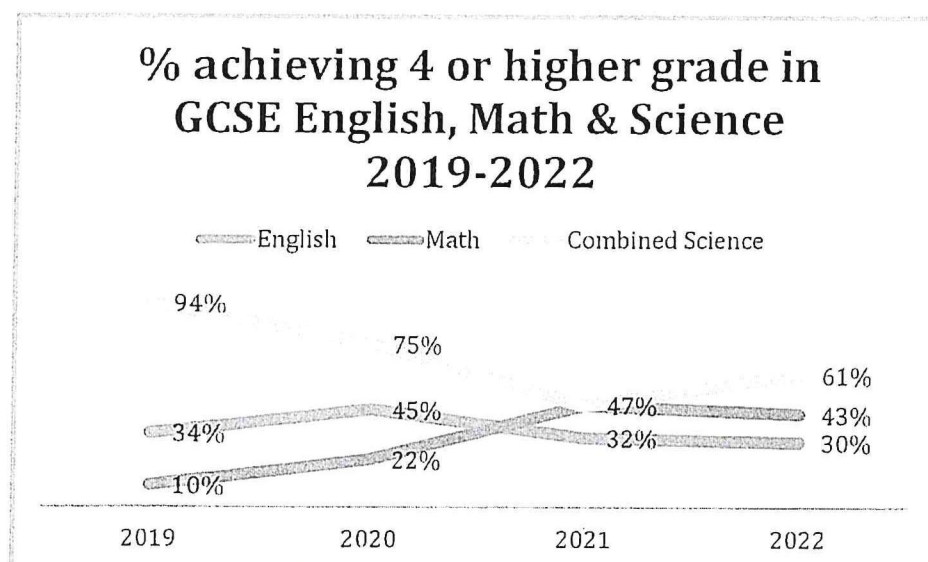
Outcomes for students

GCSE and Functional Skills Results

70% of Year 11 and 12s took 198 individual examinations covering 11 GCSE subjects. Exceptional performances this year, particularly in Combined Science and Modern Foreign Languages (MFL) resulting in 16 pupils attaining grades 9 and 8.

% achieving 4 or higher grade in GCSE English, Math & Science 2019-2022 (Core subjects)

GCSE Subject	2019	2020	2021	2022
English	34%	45%	32%	30%
Math	10%	22%	47%	43%
Combined Science	94%	75%	47%	61%



School Development Plan 2021 (Headlines)

- Appointment of a Business Manager to support finance management to further improve school services.
- Review GCSEs curriculum offer in line with school Catch up action plan, well-being interventions responding to the need for mental health support for young people.
- To continue with partnership arrangements to enhance science and sports provision.

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Trustees' Report for the year ended 31 August 2022 (continued)

- External consultancy to monitor and evaluate quality assurance for teaching and learning standards
- Update and install IT infrastructure, support, and security.
- Install new telephone system replacing the current system
- Financial support towards professional qualifications for staff including NLP, Management Level 5 and NQT Induction programme.

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 services during the year and up to the date of signature of the financial statements were:

G Walker

A Simpson

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 2022 scheduled meeting, all Governors received Board papers outlining an update of Ofsted regulations, Independent School requirements, JCQ (Joint Council for Qualification) requirements, and DfE (Department for Education) 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 Trust's Governance Structure is outlined below:

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 Care Trust (SCCT) registered charity number 1086162, 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.

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Statement of Trustees' Responsibilities for the year ended 31 August 2022

Trustee Responsibility Statement

The trustees (who are also directors of Sandwell Valley School Limited for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 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.

Auditor

Auditors in accordance with the company's articles, a resolution proposing that Feltons be appointed a auditor of the company was put at a General Meeting.

Disclosure of information to auditor each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Mrs M Hall
Trustee
23 May 2023

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
Sandwell Valley School Limited**

Opinion

We have audited the financial statements of Sandwell Valley School Limited (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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".

In our opinion the financial statements :

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Sandwell Valley School Limited
(continued)**

Other information

The other information comprises the information included in the trustees 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.

Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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
- 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Sandwell Valley School Limited
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 5], the trustees (who are also the directors of the charity 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 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 charity 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Independent Auditor's Report on the Financial Statements to the Members of Sandwell Valley School Limited

(continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

30/5/2023

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2022
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2021/22 £	Total 2020/21 £
Income from :					
Donations and legacies	3	-	51,750	51,750	11,129
Charitable activities	4	1,084,831	28,900	1,113,731	1,042,382
Other trading activities		6,020		6,020	-
Total		1,090,851	80,650	1,171,501	1,053,511
Expenditure on :					
Charitable activities:	5	1,037,852	80,650	1,118,502	1,073,265
Total		1,037,852	80,650	1,118,502	1,073,265
Net income/(expenditure) before transfers		52,999	-	52,999	(19,754)
Transfers between funds		-		-	-
Net income/(expenditure) after transfers		52,999	-	52,999	(19,754)
Reconciliation of funds					
Total funds brought forward		1,712,499	-	1,712,499	1,732,253
Total funds carried forward		1,765,498	-	1,765,498	1,712,499

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

All of the company's activities derive from continuing operations during the above two financial periods.

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


Sandwell Valley School Limited
(A Company Limited by Guarantee)

Company number : 10288316
Balance sheet as at 31 August 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		56,085		59,050
Current assets					
Debtors	10	848,603		807,469	
Cash at bank and in hand		<u>1,171,653</u>		<u>1,206,244</u>	
		2,020,256		2,013,713	
Liabilities					
Creditors: amounts falling due within one year	11	<u>(310,843)</u>		<u>(360,264)</u>	
Net current assets			1,709,413		1,653,449
Total assets less current liabilities			<u>1,765,498</u>		<u>1,712,499</u>
Total net assets			<u><u>1,765,498</u></u>		<u><u>1,712,499</u></u>
Income funds :					
Unrestricted income fund			1,765,498		1,712,499
Total funds			<u><u>1,765,498</u></u>		<u><u>1,712,499</u></u>

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

The financial statements on pages 10 to 12 were approved by the trustees, and authorised for issue on 23 May 2023 and are signed on their behalf by:

.....  Mrs M Hall - Chair of Trustees

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2022

	Notes	2021/22 £	2020/21 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	13	(34,591)	66,982
Change in cash and cash equivalents in the reporting period		<u>(34,591)</u>	<u>66,982</u>
Cash and cash equivalents at 1 September 2021		1,206,244	1,139,262
Cash and cash equivalents at 31 August 2022	14	<u>1,171,653</u>	<u>1,206,244</u>

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022

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, B7 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 application 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.

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

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.

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	- straight line over 25 years
------------------------------	-------------------------------

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 the 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.

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

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 measured 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.

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.

**Sandwell Valley School Limited
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

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 applications 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
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

3. Donations and legacies

	Restricted funds £	2021/22 Total £	2020/21 Total £
Government grants	51,750	51,750	11,129
	<u>51,750</u>	<u>51,750</u>	<u>11,129</u>

4. Charitable activities

	Charitable income £	2021/22 Total £	2020/21 Total £
Charitable income	1,113,731	1,113,731	1,042,382
	<u>1,113,731</u>	<u>1,113,731</u>	<u>1,042,382</u>

5. Charitable activities costs

	Charitable expenditure £	2021/22 Total £	2020/21 Total £
Staff costs	504,735	504,735	473,062
Depreciation and impairment	2,965	2,965	2,965
Sessional workers and tutors	40,592	40,592	17,488
Insurance	15,766	15,766	7,474
Maintenance	26,354	26,354	26,939
Heat, light and power	23,148	23,148	20,197
Rent and leasing	119,242	119,242	118,317
Sundries	67,075	67,075	91,019
Travel	13,334	13,334	5,681
Equipment purchases	9,687	9,687	4,629
Equipment hire and maintenance	2,094	2,094	3,909
Provisions	8,698	8,698	4,096
Agency costs	57,885	57,885	67,532
Bad debts	(14,232)	(14,232)	(30,510)
	<u>877,343</u>	<u>877,343</u>	<u>812,798</u>
Share of support costs (see note 6)	234,215	234,215	209,503
Share of governance costs (see note 6)	6,944	6,944	50,964
	<u>1,118,502</u>	<u>1,118,502</u>	<u>1,073,265</u>

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

6. Support costs

	Support costs £	Governance costs £	2021/22 Total £	2020/21 Total £
Staff costs	216,315	-	216,315	200,141
Accountancy	11,848	-	11,848	2,272
Printing, postage, stationery and telephone	6,052	-	6,052	7,090
Audit fees	-	6,000	6,000	11,060
Legal and professional	-	944	944	39,904
Analysed between Charitable Activities	<u>234,215</u>	<u>6,944</u>	<u>241,159</u>	<u>260,467</u>

Governance costs includes payments to the auditors of £6,000 (2021 : £8,050) for audit fees.

7. Trustees remuneration and benefits

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 trustee, 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 (2021 : £76,000) received for her role as Principal.

8. Staff

a) Staff costs

Staff costs during the period were:

	2021/22 £	2020/21 £
Wages and salaries	645,054	606,779
Social security costs	58,802	51,429
Pension costs	17,194	14,995
	<u>721,050</u>	<u>673,203</u>

b) Staff numbers

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

2021/22 Number	2020/21 Number
28	26
<u>28</u>	<u>26</u>

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

8. Staff (continued)

c) Higher paid staff

	2021/22 Number	2020/21 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 on an annualised basis was :		
£70,001 - £80,000	<u>1</u>	<u>1</u>

9. Tangible fixed assets

	Leasehold land and building £	Total £
Cost or valuation		
At 1 September 2021	74,121	74,121
At 31 August 2022	<u>74,121</u>	<u>74,121</u>
Depreciation		
At 1 September 2021	15,071	15,071
Charge for the year	2,965	2,965
At 31 August 2022	<u>18,036</u>	<u>18,036</u>
Net book values		
At 31 August 2022	<u>56,085</u>	<u>56,085</u>
At 31 August 2021	<u>59,050</u>	<u>59,050</u>

10. Debtors

	2022 £	2021 £
Amounts falling due within one year :		
Trade debtors	746,848	780,179
Other debtors	4,833	3,004
Prepayments and accrued income	96,922	24,286
	<u>848,603</u>	<u>807,469</u>

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	52,028	99,543
Other taxation and social security	17,127	12,283
Other creditors	198,206	212,292
Accruals and deferred income	43,482	36,146
	<u>310,843</u>	<u>360,264</u>

12. Funds

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

Restricted general funds

These comprise all restricted funds include grants from the Government and Sandwell MBC.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
Unrestricted general funds	1,712,499	1,090,851	(1,037,852)	1,765,498
Restricted Funds	-	80,650	(80,650)	-
Total net assets	<u>1,712,499</u>	<u>1,171,501</u>	<u>(1,118,502)</u>	<u>1,765,498</u>

13. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted general funds £	Restricted funds £	Total funds £
Fixed Assets	56,085	0	56,085
Current assets	2,020,256	-	2,020,256
Current liabilities	(310,843)	-	(310,843)
	<u>1,765,498</u>	<u>-</u>	<u>1,765,498</u>
Creditors due after one year			-
Total net assets	<u>1,765,498</u>	<u>-</u>	<u>1,765,498</u>

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

14. Commitments under operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2022	Total 2021
	£	£
Amounts due within one year	125,689	124,767
Amounts due between one and five years	480,000	486,754
Amounts due after five years	1,740,000	1,860,000
	<u>2,345,689</u>	<u>2,471,521</u>

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

	2021/22 Total	2020/21 Total
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	52,999	(19,754)
Adjusted for :		
Depreciation (note 5)	2,965	2,965
Increase in debtors	(41,134)	(1,095)
(Decrease) / increase in creditors	(49,421)	84,866
Net cash (used in) / provided by operating activities	<u>(34,591)</u>	<u>66,982</u>

16. Analysis of changes in net debt

	At 31 August 2021 £	Cash flows £	Other non-cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,206,244	(34,591)	-	1,171,653
	<u>1,206,244</u>	<u>(34,591)</u>	<u>-</u>	<u>1,171,653</u>

Sandwell Valley School Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

17. Related party transactions

Remuneration of key management personnel

Remuneration received by key management personnel is as follows :

	2022 £	2021 £
Aggregate compensation	<u>76,000</u>	<u>76,000</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 totaling £45,000 (2021: £93,484). At 31 August 2022 £34,915 (2021: £97,626) was due to Sandwell Community Trust and is included within trading creditors.

P Bassi has a significant interest in Real Estate Investors PLC. During the year the Charity was charged rental costs of £120,000 (2021: £92,011) by Real Estate Investors PLC.

18. Pension Commitments

The company contributes to the personal pension plans of eligible employees. The total charge in the year to 31 August 2022 was £17,194.