

# **Cobham Free School Trust**

## **Annual Report and Financial Statements**

31 August 2021

Company Limited by Guarantee  
Registration Number  
07643477 (England and Wales)



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## Reference and administrative information

<b>Members</b>	Mr H Morris (Chair of Governors) Mr I Clifford Mr S Heard Mr R Khatib Mrs J Poppe Ms J Rangasamy Mr R Sturges
<b>The Governing Body</b>	Mr H Morris* (Chair of Governors) Mr C Andrews Mr C Banks* Mrs C Beddison Mr P Bedford* Mr N Cogswell* Mrs H Hutton-Attenborough Mrs M Khatib* Mrs T Lightbody Ms L Richardson Ms A Saunders Mr R Staegemann
<b>Company Secretary</b>	*Members of the Finance and General Purposes Committee Mr R Khatib
<b>Clerk to the Governors</b>	
<b>Senior Leadership Team</b>	Mrs J Dutton (Strictly Education 4S)
Executive Head	
Junior Head	
Joint Senior Heads	Mrs M Khatib (Accounting Officer) Mrs G Rolfe
Head of Sixth Form	Ms A Urso / Mrs L Newman
Business Manager	Mrs H Johnson
<b>Registered address</b>	Mrs C Marcus  Cobham Free School Portsmouth Road Cobham Surrey KT11 1TF
<b>Company registration number</b>	07643477

## Reference and administrative information

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Lloyds Bank  
147 High Street  
Guildford  
Surrey  
GU1 3AG

**Solicitors** Bates Wells London LLP  
10 Queen Street Place  
London  
EC4R 1BE

## **Governors' report** Year to 31 August 2021

The Governors of Cobham Free School Trust ('the School') present their annual report together with the financial statements and the auditor's report of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 36 to 41 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Cobham Free School Trust is a company limited by guarantee (registration number 07643477) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Governors act as the trustees for the charitable activities of the Trust and are also the directors of the Charitable Company for the purposes of UK company law.

The charitable company is known as Cobham Free School.

Details of the Governors who served throughout the period are included on page 4.

#### **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 period 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.

#### **Governors' indemnities**

In accordance with normal commercial practice, the School has purchased Risk Protection Arrangement (RPA) insurance from the Department for Education (DfE) to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. This has been purchased as part of a wider global insurance premium. The insurance provides cover of up to £10 million on any one claim.

#### **Principal activities**

The principal activity of the School during the year ended 31 August 2021 was the operation of an all-through school, offering a broad and balanced curriculum.

## **Governors' report** Year to 31 August 2021

### **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

#### **Governors**

The Governors are directors of the charitable company for the purposes of the Companies Act 2006. The following Governors were in office at 31 August 2021 and served throughout the year except where shown.

<b>Trustee</b>	<b>Appointed/ Resigned</b>
Mr H Morris (Chair of Governors)	
Mr C Andrews	
Mr C Banks	Appointed 11 December 2021
Mrs C Beddison	
Mr P Bedford	Appointed 11 December 2021
Mr N Cogswell	Appointed 16 October 2020
Mrs H Hutton-Attenborough	
Mrs M Khatib (Executive Headteacher and Accounting Officer)	
Mr R Khatib	Resigned 11 December 2021
Mrs T Lightbody	
Mr R Parsons	Resigned 19 October 2021
Ms J Rangasamy	Resigned 11 December 2021
Ms L Richardson	Appointed 24 October 2021
Ms A Saunders	
Mr I Smith	Resigned 4 December 2020
Mr R Staegemann	Appointed 20 October 2020
Mr M Unwin	Resigned 16 September 2021
Mr P Wood	Resigned 9 May 2020

#### **Method of recruitment and appointment or election of Governors**

The Governors of the School have been appointed in accordance with the Memorandum and Articles of Association as set out below.

The constitution of the School provides that the number of Governors shall not be less than three, no more than twelve Member-elected Governors and no more than one third of the Governors being employees (staff Governors) of Cobham Free School.

Subject to Articles 45-80 of the Articles of Association, the School shall have the following Governors:

- a) Up to 12 Governors appointed by the Members;
- b) 2 elected Parent Governors; and
- c) Up to 3 Co-opted Governors appointed by the Governors.

Governors are either appointed by Members, Co-opted by the Governing Body or are Parent Governors elected by parents of the School.

## **Governors' report** Year to 31 August 2021

Governors are appointed for a period of four years; after which they are eligible for re-appointment. Parent Governors are elected for a period of two years, after which they are not eligible to be re-elected.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Policies and procedures adopted for the induction and training of Governors**

In order to ensure that the Governing Body has the requisite skills to perform its role effectively, the School conducts a skills audit periodically. All new Governors receive an induction pack and details of the training available to them. They are encouraged to attend relevant training courses. During the year, the School has made available to all Governors the resources of National Governors Association for training requirements. Governors make a number of ad hoc monitoring visits to the school each term which include shadowing a member of staff or department. All Governors are required to undergo a DBS check.

### **Organisational structure**

The Governing Body is responsible for key strategic decision making, including approval of the School Development Plan, approval of the financial budget, appointment of the auditors and approval of the annual report and accounts.

The Governing Body meets at least three times per year. The Finance and General Purposes Sub-committee, the Remuneration Sub-committee, the Premises (Health and Safety) Sub-committee, the Education Sub-committee and an HR Sub-committee support the Governing Body in making strategic decisions.

The task of running the School on a day-to-day basis is delegated to the Executive Head, assisted by the Senior Leadership Team, which includes the Head of Junior, the Heads of Senior, the Head of Sixth Form and the Business Manager. As such, the Executive Head, assisted by the Senior Leadership Team, is responsible for the delivery of all aspects of the School Development Plan and adherence to the School's operational and financial policies.

During the accounting period the Executive Head performed the role of accounting officer. The Executive Head is a Governor and attends the Education, Premises, and Finance and General Purpose Sub-committees. The Business Manager attends the Finance and General Purposes Sub-Committee meetings, and the Premises Sub-Committee meetings. The Heads of Junior, Senior and Sixth Form departments are invited to attend full Governor meetings and the Education Sub-committee.

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

The key management personnel of the School responsible for directing and controlling the Academy comprise the trustees together with the Senior Leadership Team.

The Members of the Trust and the Governors receive no remuneration for their role as Members and Governors. The staff Governors only receive remuneration as employees of the Trust.

There is a separate Remuneration Sub-committee which is made up of trustees who have no interest or relationship to any member of the Senior Leadership Team. The Remuneration Sub-committee sets the pay levels for the Senior Leadership Team on an annual basis.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Arrangements for setting pay and remuneration of key management personnel** (continued)

An external educational consultant has been appointed to conduct the performance management of the Executive Head. The pay of key management personnel is set by the Remuneration Sub-committee using the outcomes from performance reviews and also benchmarking against other academies of a similar size and nature.

### **Trade union facility time**

The Trust is not aware of any relevant union officials among the staff.

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

Related party transactions involving the Governors and other connected individuals and organisations are set out in notes 9 and 19 to the financial statements.

## **OBJECTS AND AIMS**

### **Vision**

The vision for the School can be summarised as follows:

- ◆ To provide an excellent all-through education, that meets the needs of the local community in terms of supply and demand for school places.
- ◆ To raise levels of educational attainment for those from all sections of the community.
- ◆ To support families, parents/ carers and the pupils in their aspirations for future education and careers.
- ◆ To offer opportunities for all beyond the classroom with a range of extracurricular activities and to support working parents/carers with an extended school day.

### **Ethos**

The ethos for the School has the following key elements:

- ◆ To encourage pupils to develop a self-motivational and independent approach to learning.
- ◆ To instil self confidence in all pupils whatever their abilities, and to encourage them to develop good communication and creative thinking skills.
- ◆ To teach pupils to respect people from all backgrounds; to have empathy and respect for others and to understand the benefits of diversity and inclusion.

## **OBJECTS AND AIMS (continued)**

### **Aims**

The School aims to maximise the potential for all its pupils and to welcome those from diverse backgrounds. In pursuit of this aim we will:

- ◆ Encourage applications from all families in the area.
- ◆ Adopt a curriculum which is accessible to all.
- ◆ Identify the needs of the individual child and provide the necessary support to ensure each child achieves their full potential.
- ◆ Encourage respect for others regardless of background and help each to feel they have self-worth and a sense of belonging within the school community.
- ◆ Prepare each child for their future education giving them skills in independent learning and a strong foundation in numeracy and literacy.
- ◆ Offer an extended school day to assist working parents/ carers with childcare arrangements.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Objectives***

The main objective for the year ended 31 August 2021 was:

To continue to expand the school upwards and across year groups in line with the Trust's vision for an all-through establishment. This included the provision of a new Year 13 cohort and the expansion from 3 to 4 forms of entry in Year 7, enabled by the practical completion of the permanent building project at the Main School site.

A second objective was:

To continue to implement robust arrangements for the continuation of education during the COVID-19 pandemic and ensure provision for national lockdowns.

#### ***Public benefit***

In setting the School's objectives and planning its activities, the Board of Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Review of activities***

This year the School carried out a number of activities in furtherance of its charitable aims for the public benefit. Achievements included:

- ♦ the successful continuation of education throughout the pandemic using effective remote platforms and provision of onsite learning for vulnerable and key worker children.
- ♦ the implementation of robust measures to keep the community safe and minimise the risk of viral spread.
- ♦ the successful delivery of GCSEs and the first set of A-level results for the School using teacher assessed grades.
- ♦ an increase in top GCSE grades with 40% of subject entries being awarded 9 to 7 in 2021 compared with 30% national average (based on teacher assessed grades).
- ♦ 75% of students entered for Ebacc subjects and achieving a point score of 5.2 (the national average in 2019 was a point score of 4.07).
- ♦ the first cohort of students leaving Year 13 securing top higher education destinations, including entrance to medical schools and Russell Group universities.
- ♦ an excellent first set of A level results, with: 89% A\* to C pass rate, 44% of students achieving A\* and A grades and 13% of students obtaining straight A\*s.
- ♦ A-level students obtaining a value-added progress score of 0.94 putting the school in the top 5% nationally for progress.
- ♦ the reintroduction of a full range of enrichment activities following a period of lockdown in Spring 2021, including: Duke of Edinburgh bronze and silver awards, sports days, residential trips for Years 5 and 6, online live-streamed concerts and a Year 6 production in the new auditorium.

***Admissions***

There was a successful admissions round to enable the expansion of the School to grow to 2 forms of entry in September 2021 in Reception, Year 1 and Years 3 to 5, and for the senior department to expand to 4 forms of entry in Years 7 to 10.

The School received more applications than there were spaces available in all departments in the normal admissions rounds for entry in September 2021. This included being:

- ♦ 2.85 times oversubscribed for reception;
- ♦ 2.83 times oversubscribed for Year 3; and
- ♦ 6.43 times oversubscribed for Year 7.

The sixth form doubled in size following a robust marketing campaign.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Staffing**

The School received a strong number of applications for the expansion of staff to reflect the growth in pupil numbers for September 2021. 44 new appointments were made increasing the staff numbers to 145 staff, including part time appointments (109 FTE).

New subject areas in the sixth form included Fine Art and Drama and Theatre.

**Site**

- ◆ The project to refurbish part of the permanent building to enable senior students to enter the property in September 2020 was successfully completed.
- ◆ The practical completion of the whole permanent site, including two new build blocks, for sports and music, was achieved in March 2021.
- ◆ The new school building provides state-of-the-art accommodation which enables the delivery of the vision for excellent academic and extra-curricular opportunities, including 6 science laboratories, a sports hall, an activities studio, a dining hall, a recital room and a 520 seat auditorium. There are also specialist wings for design and technology, fine arts, music and drama.
- ◆ The school took occupancy of the Lodge building at the entrance to the permanent site.
- ◆ The school worked closely with the ESFA and contractors on timescales for works to improve the Portsmouth Road, including: two new bus stops, a pedestrian crossing and a cycle superhighway to be completed in 2022.
- ◆ A detailed travel plan was developed, which included mitigation measures, such as bus services for bringing additional pupils onto the permanent site prior to the completion of roadworks on Portsmouth Road. Improvement works, including a new pathway, were undertaken in the school's car park to increase safety for students and minimise congestion at drop off and collection times.

**Key financial performance indicators**

The School sets an annual budget based on estimates of both income and expenditure. The key performance indicators used are:

- ◆ Analysis of year to date spend against budget on a month by month basis;
- ◆ Distribution of spend against categories;
- ◆ Ratio analysis on payroll costs, operating margin and pupil:teacher ratio by department;
- ◆ Benchmarking analysis carried out using the Department for Education tools;

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Key financial performance indicators** (continued)

- ◆ Monthly cash balance; and
- ◆ Level of donations to the school in the form of sponsorship and voluntary contributions.

**Going concern**

The Governors 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 School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

In considering the appropriate basis on which to prepare the financial statements the directors are required to consider whether the Trust can continue in operational existence for the foreseeable future. As the school now has all year groups in place, for the financial year commencing 1 September 2021, the GAG funding on which the Trust relies has been calculated by the Department for Education (the funding provider) on a lagged basis (based on pupil population as at October 2020). The school's pupil population has not yet, however, reached full capacity as its growth was constrained whilst it resided in temporary accommodation. The school has now added further classes following its move into permanent accommodation. As a result, for the year commencing 1 September 2021, its pupil numbers are significantly higher than the October 2020 population on which the ESFA has calculated the GAG funding. As permitted by the terms of its Funding Agreement, the Trust has formally asked the Secretary of State to recalculate the funding on a non-lagged basis until it reaches full capacity. The ESFA is therefore working with the trust to explore the possibility of financial support to ensure the Trust can continue to meet its current obligations.

In anticipation of continuing financial support from the ESFA, the Trustees have prepared the financial statements on the going concern basis, but recognise that the uncertainty over the current funding position constitutes a material uncertainty with respect to going concern.

Further information regarding the use of the going concern basis of preparation and the material uncertainty in relation to going concern is disclosed on page 36 of the financial statements, in the principal accounting policies.

**Financial review**

**Financial report for the year**

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA), an agency for the DfE. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

## **Governors' report** Year to 31 August 2021

### **STRATEGIC REPORT** (continued)

#### **Financial review** (continued)

##### ***Financial report for the year*** (continued)

The School also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), these 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.

Total income for the year ended 31 August 2021 amounted to £25,088,582 (2020 – £4,716,723) of which £20,731,186 (2020 – £nil) related to donated fixed assets. These assets primarily comprised the Main School site, which was gifted from the ESFA following the completion of capital works to renovate the site into a specialised school building. In the absence of a market valuation for the year ended 31 August 2021, has included the gift at the cost to the ESFA of renovating the structure into a specialised school building and constructing additional wings on the property. This cost amounted to £20,661,295. Other donated assets included fitness equipment worth £59,979 and donated Chromebooks valued at £9,912.

Total income excluding donated assets amounted to £4,357,396 (2020 – £4,716,723), of which £114,864 (2020 – £235,675) related to capital grant funding received from the ESFA.

As the year ended 31 August 2021 was the ninth year of operation for the School and the seventh year of operating as an all-through school with a Senior Department, the ESFA provided start up grants to help cover the higher costs required to support education associated with the 'start up' period. The School received £48,000 of start-up grants in the period compared to £48,000 in 2020. ESFA income from the General Annual Grant (GAG) increased to £3,227,875 (2020 – £2,863,337), reflecting a 49% increase in pupil numbers as described above.

The other recurrent DfE / ESFA income relates to income for special areas and government initiatives including the Universal Infant Free School Meals, pupil premium and sports funding. Recurrent non-GAG income from the DfE group (including the start-up grants referred to above) amounted to £456,887 (2020 – £1,005,596). Income from this source was higher in the prior year due to funding received in respect of special IT capital projects and funding to cover the rental payments relating to the school's temporary site at Hurst Park, which the School relocated from during the Summer of 2020.

Additional Covid-19 grants have been received during the year in the form of Covid Catch-up Premium funding of £47,680 and funding for covid testing of £23,657.

Lunch income has reduced considerably during the period with the implementation of a biometric system for the Senior pupils at Main School. The lunch income for these pupils goes straight to the catering company.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Financial report for the year*** (continued)

The remaining income comprises donations and sponsorship during the period from private organisations and individual donations from the parents totalling £147,916 for the year ended 31 August 2021 (2020 – £147,315). Unrestricted income was also received for facilities hire, wrap-around care, homework club and the bus service. This income amounted to £122,624 (2020 – £117,112). Interest receivable amounted to £200 (2020 – £2,187).

Revenue expenditure has increased as expected with the increase in pupil numbers. With the move to the Main School permanent site there are increased maintenance and cleaning costs.

Capital additions in the year ended 31 August 2020, excluding the donated assets discussed above, totalled £122,864 (2020 – £235,675) and were funded almost entirely by capital grants from the ESFA, as well as a transfer of £7,374 (2020 – £nil) from GAG. As in 2019/20, capital additions for the year mainly related to investment in ICT for the developments at the Main School site. The net book value of tangible fixed assets at 31 August 2021 was £23,207,618 (2020 – £2,842,618), the increase reflecting the donation of the School's permanent site from the ESFA.

The School held total fund balances as at 31 August 2021 of £22,504,257 (2020 – £2,782,553) of which £22,256,882 (2020 – £2,664,986) was restricted in nature and £247,375 (2020 – £117,567) unrestricted. Of the total restricted funds, £23,207,618 (2020 – £2,842,618) has been set aside to represent the net book value of tangible fixed assets.

The School has a pension scheme liability of £1,357,000 (2020 – £829,000) which is also included in the restricted funds.

After excluding net income relating to the fixed asset fund of £20,634,610 (2020 – net income of £29,645) and net expenditure in the restricted pension deficit reserve of £223,000 (2020 – £182,000), as well as the actuarial loss for the year of £305,000 (2020 – an actuarial loss of £203,000), the overall operational deficit for 2020/21 was £115,296 (2020 – a surplus of £268,268).

The results for the year are shown on page 33.

***Financial and risk management objectives and policies***

The financial and risk management framework of Cobham Free School Trust supports the School in delivering its operational objectives within the constraints of the budget.

The School has a comprehensive set of Financial Regulations as well as Theft, Fraud and Corruption and Whistleblowing policies that have been developed and reviewed for the all through school. These policies set out the key elements of the financial management of the Trust including purchasing, payroll and cash management. These are managed by the Finance and General Purpose Sub-committee and reviewed annually.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Financial report for the year*** (continued)

The School has appointed an external organisation, Strictly Education 4S, to carry out a programme of internal scrutiny. Their role is to provide independent oversight of the School's financial affairs. The programme of internal scrutiny provides the Governing Body with independent assurance that:

- ◆ the financial responsibilities of the Governing Body are being properly discharged;
- ◆ resources are managed in an efficient, economical and effective manner;
- ◆ systems of internal financial control are being maintained; and
- ◆ financial considerations are fully taken into account in reaching decisions.

A thorough risk assessment has been undertaken to identify the measures needed to reduce the risks from coronavirus (Covid-19) so far as is reasonably possible. It is recognised that not all of the risk can be eliminated but the aim has been to make the school as Covid-secure as possible. As a cloud-based school with established online learning, Cobham Free School has been well placed to deliver remote teaching. This can be implemented as required should pupils or bubbles be sent home.

***Principal risks and uncertainties***

The principal risks to which the Trust is exposed are:

- ◆ Financial risk associated with ESFA's proposed move to lagged funding from funding based on estimated pupils as in previous years;
- ◆ Financial risk of a shortfall in funding arising from lower than anticipated 6th form pupil numbers;
- ◆ Operational risks such as those relating to people, technology and cyber;
- ◆ Financial risk in relation to the new permanent site with unknown operating and maintenance costs; and
- ◆ Health risks to staff and pupils in relation to Covid-19 as well as associated operational and financial risks.

The Trust has a risk register that is reviewed by the Governors. The Governors recognise that risk cannot be completely eliminated but can be understood and controlled. An element of risk is always present when treading new ground and enabling innovation.

The Governors' attitude to risk is conservative. Activities are undertaken with the clear understanding and awareness of the risks involved and action is taken to mitigate these risks where appropriate.



**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Reserves policy***

The Governors review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The School does not anticipate building up significant reserves; any unallocated income is kept to support the development programme of the school and to mitigate against any risks associated with the project.

The Governors closely monitor the budgeting and forecasting process to maintain sufficient working reserves to cover the financial risks facing the Trust. The School is still in the process of expansion and has in place plans for the utilisation of the restricted reserves to support this expansion. The Governors are closely monitoring the reserves during this phase and have developed a more strategic formalised reserves policy.

The School held fund balances as at 31 August 2021 of £22,504,257 (2020 – £2,782,553) which were composed primarily of restricted fixed asset funds of £23,207,618 (2020 – £2,842,618).

Excluding the restricted fixed asset fund and pension reserve, which shows a deficit of £1,357,000 (20120 – a deficit of £829,000), the School's free reserve balance at 31 August 2021 is £653,639 (2020 – £768,953). This figure includes both unrestricted general funds of £247,375 (2020 – £117,567) and funds restricted to general educational purposes of £406,264 (2020 – £651,368), and is considered sufficient to meet the School's current and expected needs, subject to the uncertainty discussed in the Going concern section of this report on page 11.

***Investment policy***

The Governors assessed the level of funds available for investment during the period. Taking into account the risk and reward of current investments, £203,669 (2020 – 202,649) was held at 31 August 2021 on a 32-day notice account in order to increase investment returns on short term liquid funds held. The Finance and General Purpose Sub-committee annually review the level of assets that are available for investment purposes. Any investments in the future will be restricted to low risk investments.

**FUNDRAISING**

The Trust is mindful of its duties under the provisions of the Charities (Protection and Social Investment) Act 2016 in relation to fundraising practices. Parents and carers are members of the Friends of Cobham Free School (FOCFS), which is a registered charity led by a committee of volunteers which organises fundraising events to support the school. One of the main aims of this organisation is to engage in activities or provide facilities or equipment that support the School and advance the education of the pupils. The majority of the funds are raised from hosting events for the parents and friends of the school such as a Christmas fair and summer ball.

The Senior Leadership Team meet regularly with the Chair and members of the FOCFS committee to discuss their fundraising plans.

## **Governors' report** Year to 31 August 2021

### **FUNDRAISING** (continued)

The school also actively fundraises for a number of established national and international charities throughout the year to benefit the wider community including Children in Need, Street Children, Anti-Bullying Alliance, Comic Relief, Children in Need, The Poppy Appeal, NSPCC, WE Act and Oasis Charitable Trust.

The fundraising approach is considered reasonable, not placing undue pressure on individuals to donate.

The Trust has not been made aware of any complaints made in relation to its fundraising practices during 2020/21.

The generosity and indefatigable efforts of the parents, pupil, staff and the whole school community have provided vital funds to help support the school.

### **PLANS FOR FUTURE PERIODS**

Key priorities for the academic year ahead and beyond are to:

- ◆ Continue the expansion of the school to complete 2 form primary and 4 form secondary in the remaining year groups.
- ◆ Develop the school's operations in optimising use of the new permanent Main School site and the refurbished Old Police Station building.
- ◆ Continue to operate the school successfully during the COVID-19 pandemic. This includes adopting appropriate safety measures, the effective use of remote learning as necessary, the implementation of a robust recovery curriculum and the management of any changes to the delivery of public examinations.
- ◆ Continue to develop the wider curriculum, including the extensive clubs programme and extra-curricular sports and music to give experiences beyond the classroom. This also includes the re-introduction of activities, restricted due to COVID-19.
- ◆ Work with the ESFA and contractors on any relevant aspects of the delivery of the road improvement works to Portsmouth Road, including implementing safe transport arrangements for pupils during this period.
- ◆ Plan for the use of the Lodge building and develop the space for educational purposes.

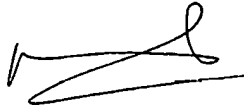
### **AUDITOR**

In so far as the Governors are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Governors 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.

**Governors' report** Year to 31 August 2021

The Governors' report, incorporating a strategic report, was approved by order of the Members of the Board of Governors and signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'H' followed by a long horizontal stroke that curves upwards at the end.

Chair of Governors

Date: 18th December 2021

Mr H Morris

**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that the Cobham Free School Trust 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 Governors have delegated the day-to-day responsibility to the Executive Head, 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 School and the Secretary of State for Education. The Executive Head is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities.

The Board maintains effective oversight over the Trust's finances by meeting three times per year and reviewing the reports of its dedicated Finance and General Purposes Committee.

The Board of Governors has formally met three times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr H Morris ( <i>Chair</i> )	4	4
Mr C Andrews	3	4
Mrs C Beddison	3	4
Mr N Cogswell	3	3
Mrs H Hutton-Attenborough	3	4
Mrs M Khatib ( <i>Executive Head and Accounting Officer</i> )	4	4
Mr R Khatib	4	4
Mrs T Lightbody	3	4
Mr R Parsons	1	4
Ms J Rangasamy	4	4
Ms L Richardson	0	0
Ms A Saunders	4	4
Mr I Smith	0	1
Mr R Staegemann	3	3
Mr M Unwin	2	4

An annual review of the Governors' skills is undertaken. Any gaps identified are addressed via recruitment. The Members meet annually to review the effectiveness of the Governing Body.

**Governance** (continued)

The Finance and General Purposes Committee is a sub-committee of the main Board of Governors. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms J Rangasamy ( <i>Chair</i> )	3	3
Mrs M Khatib ( <i>Executive Head and Accounting Officer</i> )	3	3
Mr R Khatib	3	3
Mr H Morris	2	3
Mr R Parsons (resigned 19 October 2021)	2	3

Mr N Cogswell joined the Finance and General Purposes Committee on 9 November 2021. Mr P Bedford and Mr C Banks were appointed to the Committee on 11 December 2021. Mr R Khatib and Ms J Rangasamy resigned from the Finance and General Purposes committee on 11 December 2021.

**Review of value for money**

As Accounting Officer the Executive Head has responsibility for ensuring that the School trust 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 School's use of its resources has provided good value for money during the academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered and improved value for money during the year in the following ways:

- ♦ Running robust procurement for new contracts that have been required for the permanent site. Including catering and grounds maintenance.
- ♦ Working closely with contractors to optimise the expenditure on furniture, fixtures and fittings as part of the contract.
- ♦ Raising additional funds by letting the school's new facilities for the benefit of local community groups.

School Improvement – we have continued to explore ways to keep costs to a minimum while providing effective school improvement and Continuing Professional Development (CPD). Strategies have included:

- ♦ Making use of the one-off government grants including covid catch up funding and summer schools enabling us to offer pupils more targeted support.
- ♦ Delivering our own in-house coaching programme for CPD to ensure teaching is at least good across the whole school.
- ♦ Supporting and developing newly qualified teachers (NQTs).

**Review of value for money** (continued)

- ◆ Use of integrated financial curriculum planning to optimise timetable and personnel.
- ◆ Training our teaching assistants and learning support assistants to deliver effective group interventions to support learning across the school.
- ◆ Raising achievement for all pupils through:
- ◆ Ensuring a consistently high quality of teaching of learning across all phases through the implementation of a 'one school' initiative.
- ◆ Developing the staff team through CPD and robust performance management.
- ◆ Continuing to embed the middle management structures through upskilling Heads of Department in the senior school and phase leaders in the junior.
- ◆ Continuing to deliver higher than national average results in public examinations in Key Stage 1 and 2 curriculum tests.
- ◆ Ensuring effective preparation for A level and GCSE examinations, with a high percentage of students undertaking Ebacc subjects.
- ◆ Providing opportunities beyond the academic curriculum, including an exceptional music and sports offer through our links with the Yehudi Menuhin School for string tuition, and Chelsea FC Foundation, The Cobham Rugby and Sports Association, and other specialist providers for sports.

**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 ongoing process designed to identify and prioritise the risks to the achievement of the School's 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 at the School for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors has reviewed the principal risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's principal risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**Risk and control framework** (continued)

The School'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 Governors;
- ◆ regular reviews by the Finance and General Purpose committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks through the review of the School's risk register.

The Trust has entered into a Service Level Agreement with Strictly Education 4S to provide a programme of internal scrutiny, replacing Mr R Parsons as responsible officer (RO). This programme covered the following areas:

1. Financial Procedures & systems
2. Reporting & Management Information
3. Budgeting & Funding
4. Governance of the Trust & Compliance
5. Data protection and management systems

There were no areas of high concern raised as a result of these reviews, areas were identified where more robust control could be achieved. These measures have been or are being implemented by the management team.

**Review of effectiveness**

As Accounting Officer, the Executive Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

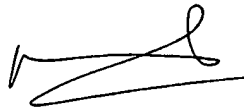
- ◆ the work of the internal scrutiny provider;
- ◆ the work of the external auditor; and
- ◆ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework.

**Governance statement 31 August 2021**

**Review of effectiveness** (continued)

The Accounting Officer has advised the Finance and General Purpose Committee of the implications of her review of the system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors and signed on their behalf by:



(Chair of Governors)

Approved on:

Mr H Morris



(Accounting Officer)

18 / 12 / 21

Mrs M Khatib



**Statement on regularity, propriety and compliance 31 August 2021**

As Accounting Officer of Cobham Free School Trust, I have considered my responsibility to notify the School's Board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the School's Board of Governors are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook 2020.

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 Governors and ESFA.



Accounting Officer

Date: 18 / 12 / 21

Mrs M Khatib

## Statement of Governors' responsibilities 31 August 2021

The Governors (who act as trustees of the School and are also the directors of the School for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP and the Academies Accounts Direction 2020 to 2021;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 School will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the School 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 the ESFA/ DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the School'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 Governors and signed on its behalf by:



Chair of Governors

Date: 18th December 2021

Mr H Morris

**Independent auditor's report to the members of Cobham Free School Trust**

**Qualified Opinion**

We have audited the financial statements of Cobham Free School Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2020 to 2021.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accounts:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS 102 and Academies Accounts Direction 2020 to 2021.

**Basis for qualified opinion**

***Limitation of scope***

Due to the lack of availability of a formal valuation for the charitable company's main site, which was gifted to it by the ESFA on 3 March 2021, we have been unable to satisfy ourselves that the value of £20,000,000 recognised as a donated fixed asset in respect of the main site building in the financial statements represents its fair value at the point of receipt. Consequently, we were unable to determine whether any adjustments in respect of the site's fair value might have been found necessary and the consequential impact that such adjustments would have had on the net movement in funds for the year ended 31 August 2021 and net asset position at that date.

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 charitable company 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.

**Material uncertainty in relation to going concern**

Whilst the financial statements for the year ended 31 August 2021 have been prepared by the Trustees on a going concern basis, they have disclosed a material uncertainty relating to going concern for Cobham Free School Trust. As a result of the change to a lagged funding mechanism from 1 September 2021 and the significant increase in pupils and teaching staff as at that date, the Trust's latest forecasts show a significant deficit for the year ending 31 August 2022 which is in excess of its current level of free reserves. In the light of these circumstances, we have considered the adequacy of disclosures made by the Trustees pertaining to the going concern assumption in the preparation of these financial statements and their assessment of the associated uncertainties and concur with their conclusions.

The Trustees' assessment of the going concern position is disclosed on page 11 of the Trustees' report and as part of the principal accounting policies on page 36. As stated in these sections, this situation indicates that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. We bring these disclosures to the attention of the members in light of the forecasts for the year ended 31 August 2022. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. 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 governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinions 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 governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**Opinions on other matters prescribed by the Companies Act 2006 (continued)**

- ◆ the governors' report, which is also the directors' report for the purposes of company law and includes the strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

**Responsibilities of governors**

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors 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 governors 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 governors are responsible for assessing the charitable company'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 governors 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.

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of governors' meetings and papers provided to the governors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;

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

- ♦ tested the authorisation of expenditure as part of our substantive testing thereon;
- ♦ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ♦ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ agreeing financial statement disclosures to underlying supporting documentation;
- ♦ reviewing the minutes of governors' meetings;
- ♦ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ♦ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ♦ work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 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 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.

**Independent auditor's report 31 August 2021**

*Buzzacott LLP*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 19 December 2021



## **Independent reporting accountant's report 31 August 2021**

### **Independent reporting accountant's assurance report on regularity to Cobham Free School Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 15 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cobham Free School Trust during the period from 1 September 2020 to 31 August 2021 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 Cobham Free School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cobham Free School Trust and the 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 Cobham Free School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Cobham Free School Trust's accounting officer and the reporting auditor**

The Accounting Officer is responsible, under the requirements of Cobham Free School Trust's funding agreement with the Secretary of State for Education dated 14 June 2012 and the Academies Financial Handbook 2020, extant from 1 September 2020, 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 2020 to 2021. 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 period from 1 September 2020 to 31 August 2021 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.

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.

**Approach (continued)**

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 School's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

Reporting Accountant  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 19 December 2021

**Statement of financial activities (including income and expenditure account) Year to 31 August 2021**

	Notes	Unrestricted general fund £	Restricted funds		2021 Total funds £	2020 Total funds £
			General £	Fixed assets fund £		
<b>Income from:</b>						
Donations and capital grants	1	37,168	110,748	20,846,050	<b>20,993,966</b>	382,990
Charitable activities						
· Funding for the School's educational operations	2	1,200	3,970,592	—	<b>3,971,792</b>	4,214,434
Other trading activities	3	122,624	—	—	<b>122,624</b>	117,112
Investments	4	200	—	—	<b>200</b>	2,187
<b>Total income</b>		<b>161,192</b>	<b>4,081,340</b>	<b>20,846,050</b>	<b>25,088,582</b>	<b>4,716,723</b>
<b>Expenditure on:</b>						
Raising funds	5	31,384	—	—	<b>31,384</b>	27,249
Charitable activities						
· School's educational operations	6	—	4,542,070	488,424	<b>5,030,494</b>	4,573,561
<b>Total expenditure</b>		<b>31,384</b>	<b>4,542,070</b>	<b>488,424</b>	<b>5,061,878</b>	<b>4,600,810</b>
<b>Net income (expenditure)</b>		<b>129,808</b>	<b>(460,730)</b>	<b>20,357,626</b>	<b>20,026,704</b>	<b>115,913</b>
Transfers between funds		—	(7,374)	7,374	—	—
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension scheme	17	—	(305,000)	—	<b>(305,000)</b>	(203,000)
<b>Net movement in funds</b>		<b>129,808</b>	<b>(773,104)</b>	<b>20,365,000</b>	<b>19,721,704</b>	<b>(87,087)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2020		117,567	(177,632)	2,842,618	<b>2,782,553</b>	2,869,640
<b>Total fund balances carried forward at 31 August 2021</b>		<b>247,375</b>	<b>(950,736)</b>	<b>23,207,618</b>	<b>22,504,257</b>	<b>2,782,553</b>

All of the School's activities derived from continuing operations during the above two financial periods.

The School has no recognised gains and losses other than those shown above.

**Balance sheet 31 August 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	11		23,207,618		2,842,618
<b>Current assets</b>					
Debtors	12	196,248		223,277	
Cash at bank and in hand		882,027		961,132	
		<u>1,078,275</u>		<u>1,184,409</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(424,636)		(415,474)	
<b>Net current assets</b>			<u>653,639</u>		<u>768,935</u>
<b>Total assets less current liabilities</b>			<u>23,861,257</u>		<u>3,611,553</u>
Pension scheme liability	17		(1,357,000)		(829,000)
<b>Total net assets</b>			<u>22,504,257</u>		<u>2,782,553</u>
<b>Funds of the School:</b>					
<b>Restricted funds</b>					
Fixed assets fund	14		23,207,618		2,842,618
General fund	14		406,264		651,368
Pension reserve	14		(1,357,000)		(829,000)
<b>Total restricted funds</b>			<u>22,256,882</u>		<u>2,664,986</u>
<b>Unrestricted funds</b>					
General fund	14		247,375		117,567
<b>Total funds</b>			<u>22,504,257</u>		<u>2,782,553</u>

The financial statements on page 33 to 60 were approved by the Governors, authorised for issue and are signed on their behalf by:



Chair of Governors

Mr H Morris

Date: 18th December 2021

Cobham Free School Trust  
Company Limited by Guarantee  
Registration Number: 07643477 (England and Wales)

# Statement of cash flows Year to 31 August 2021

		2021 £	2020 £
<b>Net cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	A	(71,925)	196,431
<b>Cash flows from investing activities</b>	B	(7,180)	2,187
<b>Change in cash and cash equivalents in the year</b>		<b>(79,105)</b>	<b>198,618</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2020		961,132	762,514
Cash and cash equivalents at 31 August 2021	C	<b>882,027</b>	<b>961,132</b>

## A Reconciliation of net income (expenditure) to net cash provided by operating activities

	2021 £	2020 £
<b>Net income (expenditure) for the year (as per the statement of financial activities)</b>	<b>20,026,704</b>	<b>115,913</b>
<b>Adjusted for:</b>		
Depreciation (note 11)	488,424	206,030
Loss on disposal of assets	6	—
Capital grants from DfE and other capital income (note 1)	(114,864)	(235,675)
Donated fixed assets	(20,731,186)	—
Interest receivable (note 4)	(200)	(2,187)
Defined benefit pension scheme cost less contributions payable (note 17)	207,000	172,000
Defined benefit pension scheme finance cost (note 17)	16,000	10,000
Decrease in debtors	27,029	1,368
Increase (decrease) in creditors	9,162	(71,018)
<b>Net cash (used in) provided by operating activities</b>	<b>(71,925)</b>	<b>196,431</b>

## B Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	200	2,187
Proceeds from sale of tangible fixed assets	620	—
Additions to tangible fixed assets	(122,864)	(235,675)
Capital grants from DfE/ ESFA	114,864	235,675
<b>Net cash provided by investing activities</b>	<b>(7,180)</b>	<b>2,187</b>

## C Analysis of changes in net debt

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash at bank and in hand	961,132	(79,105)	<b>882,027</b>
<b>Total cash and cash equivalents</b>	<b>961,132</b>	<b>(79,105)</b>	<b>882,027</b>

**Statement of accounting policies**

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

**Basis of preparation**

The financial statements of the School have been prepared under the historical 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cobham Free School meets the definition of a public benefit entity under FRS 102.

The accounts are presented in Sterling and are rounded to the nearest pound.

**Going concern**

The Governors 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 School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

In considering the appropriate basis on which to prepare the financial statements the directors are required to consider whether the Trust can continue in operational existence for the foreseeable future. As the school now has all year groups in place, for the financial year commencing 1 September 2021, the GAG funding on which the Trust relies has been calculated by the Department for Education (the funding provider) on a lagged basis (based on pupil population as at October 2020). The school's pupil population has not yet, however, reached full capacity as its growth was constrained whilst it resided in temporary accommodation. The school has now added further classes following its move into permanent accommodation. As a result, for the year commencing 1 September 2021, its pupil numbers are significantly higher than the October 2020 population on which the ESFA has calculated the GAG funding. As permitted by the terms of its Funding Agreement, the Trust has formally asked the Secretary of State to recalculate the funding on a non-lagged basis until it reaches full capacity. The ESFA is therefore working with the trust to explore the possibility of financial support to ensure the Trust can continue to meet its current obligations.

In anticipation of continuing financial support from the ESFA, the Trustees have prepared the financial statements on the going concern basis, but recognise that the uncertainty over the current funding position constitutes a material uncertainty with respect to going concern. The Trustees' assessment of the going concern position is disclosed on page 11 of the Trustees' report.

### **Income**

All income is recognised when the School 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.

The 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 period is deducted from income and recognised as a liability.

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

### **Private sponsorship**

Sponsorship income provided to the School which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance related conditions), where the receipt is probable and it can be measured reliably.

### **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 period it is receivable and to the extent the School has provided the goods or services.

### **Donated goods, facilities and services**

Donated services and facilities are recognised in income and expenditure when the charity has control over the item, conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably.

### **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 (continued)**

***Raising funds***

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

***Charitable activities***

These are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the School.

All expenditure is stated net of recoverable VAT.

**Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

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

♦ Freehold land & buildings	2% per annum
♦ Other building components	10% to 20% per annum
♦ Furniture and equipment	10% to 20% per annum
♦ Computer equipment	20% to 33.3% per annum
♦ Motor vehicles	10% to 20% per annum

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.



### **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 School 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.

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost.

*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. 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.

### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

### **Taxation**

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Pensions benefits**

Retirement benefits to employees of the School 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 School 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. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**Pensions benefits (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the School 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 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.

**Fund accounting**

Unrestricted general funds represent those resources which may be used towards meeting any of the charitable objects of the School at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise restricted funds received with restrictions imposed by the funder or donor and include grants from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Surrey County Council.

**Critical accounting estimates and areas of judgement**

Estimates and judgements 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 areas of judgement (continued)**

***Critical accounting estimates and assumptions***

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate 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. This estimate also constitutes the key critical area of judgement by virtue of its significant effect on the financial statements.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2021. 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.

The School's permanent site was donated by the ESFA on 3 March 2021. In the absence of a market valuation for the year ended 31 August 2021, has included the gift at the cost to the ESFA of renovating the structure into a specialised school building and constructing additional wings on the property. This cost amounted to £20,000,000 in respect of the building and £661,295 in respect of internal fixtures and fittings.

# 1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed assets funds £	2021 Total funds £	2020 Total funds £
Capital grants	—	12,244	114,864	<b>127,108</b>	256,595
Private sponsorship	—	98,504	—	<b>98,504</b>	99,529
Donated fixed assets	—	—	20,731,186	<b>20,731,186</b>	—
Other donations	37,168	—	—	<b>37,168</b>	26,866
	<b>37,168</b>	<b>110,748</b>	<b>20,846,050</b>	<b>20,993,966</b>	<b>382,990</b>

	Restricted funds £	Restricted fixed assets funds £	2020 Total funds £
Capital grants	20,920	235,675	256,595
Private sponsorship	99,529	—	99,529
Other donations	26,866	—	26,866
	<b>147,315</b>	<b>235,675</b>	<b>382,990</b>

The School's permanent site was donated to the School by the ESFA on 3 March 2021. In the absence of a market valuation for the year ended 31 August 2021, has included the gift at the cost to the ESFA of renovating the structure into a specialised school building and constructing additional wings on the property. This cost amounted to £20,000,000 in respect of the building and £661,295 in respect of internal fixtures and fittings. Other donated assets included fitness equipment worth £5,979 and donated Chromebooks valued at £9,912.

## Notes to the Financial Statements Year to 31 August 2021

### 2 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	—	3,227,875	<b>3,227,875</b>	2,863,337
. Start Up Grants	—	48,000	<b>48,000</b>	48,000
. Universal Infant Free School Meals	—	78,770	<b>78,770</b>	33,895
. Pupil Premium	—	96,123	<b>96,123</b>	99,138
. Teachers' Pension and Pay grants	—	140,021	<b>140,021</b>	61,087
. Programme Development grant	—	—	—	279,966
. Hurst Park rent grant	—	—	—	183,533
. Other DfE Group grants	—	93,973	<b>93,973</b>	53,029
. Donated facilities	—	—	—	246,948
	—	3,684,762	<b>3,684,762</b>	3,868,933
<b>Other Government grants</b>				
. Local authority grants	—	183,774	<b>183,774</b>	222,583
	—	183,774	<b>183,774</b>	222,583
<b>COVID-19 additional funding (DfE/ESFA)</b>				
. Catch-up premium	—	47,680	<b>47,680</b>	—
. Other DfE/ESFA COVID-19 funding	—	23,091	<b>23,091</b>	—
	—	70,771	<b>70,771</b>	—
<b>COVID-19 additional funding (non-DfE /ESFA)</b>				
. Coronavirus Job Retention Scheme grant	—	184	<b>184</b>	2,890
. Other COVID-19 funding	—	3,617	<b>3,617</b>	—
	—	3,801	<b>3,801</b>	2,890
Other income from the academy's educational operations	1,200	27,484	<b>28,684</b>	120,028
<b>2021 Total funds</b>	<b>1,200</b>	<b>3,970,592</b>	<b>3,971,792</b>	<b>4,214,434</b>

- ◆ The trust received £47,680 (2020 – £nil) of funding for catch-up premium and costs incurred in respect of this funding totalled £47,680 (2020 – £nil), with no balance remaining to be spent during 2021/22.
- ◆ The School furloughed two members of staff responsible for the provision of wrap-around care under the government's Coronavirus Job Retention Scheme. The funding received of £184 (2020 – £2,890) relates to staff costs in respect of these two staff members which are included within notes 5,6 and 8 below as appropriate.

## Notes to the Financial Statements Year to 31 August 2021

### 2 Funding for the School's educational operations (continued)

- ♦ \*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals, Pupil Premium, and Teachers' Pension and Pay grants is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified – this includes the separation of the Programme development and Hurst Park rent grants from other DfE/ ESFA grants.

	Unrestricted funds £	Restricted funds £	2020 Total funds £
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	2,863,337	2,863,337
. Start Up Grants	—	48,000	48,000
. Universal Infant Free School Meals	—	33,895	33,895
. Pupil Premium	—	99,138	99,138
. Teachers' Pension and Pay grants	—	61,087	61,087
. Programme Development grant	—	279,966	279,966
. Hurst Park rent grant	—	183,533	183,533
. Other DfE Group grants	—	53,029	53,029
. Donated facilities	—	246,948	246,948
	—	3,868,933	3,868,933
<i>Other Government grants</i>			
. Local authority grants	—	222,583	222,583
	—	222,583	222,583
<i>Exceptional government funding</i>			
. Coronavirus job retention scheme grant	—	2,890	2,890
	—	2,890	2,890
<i>Other income from the academy's educational operations</i>	120,028	—	120,028
<b>2020 Total funds</b>	<b>120,028</b>	<b>4,094,406</b>	<b>4,214,434</b>

During 2019/20, the School occupied units on the Hurst Park site whose lease rentals were paid for by the ESFA. A gift in kind was been recognised under the heading Donated facilities above in respect of this arrangement. The value of £246,948 in the prior year was the market cost of the lease to the ESFA. An equivalent amount has been included under premises costs in expenditure. Although the School occupied the Main School site rent-free during the prior year, it has not been possible to quantify the value of this benefit to the School as there are no longer readily available commercial rental prices for the site. As such, no gift in kind has been recognised in relation to the Main School site. Following the termination of the Hurst Park lease during 2019/20 and the permanent move to the Main School site during the year, no gift in kind income or expenditure has been recognised in 2020/21.

**Notes to the Financial Statements** Year to 31 August 2021

**3 Other trading activities**

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Hire of facilities	25,580	—	25,580	14,352
School trips	43,384	—	43,384	54,223
Miscellaneous income	53,660	—	53,660	48,537
	122,624	—	122,624	117,112

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Hire of facilities	14,352	—	14,352
School trips	54,223	—	54,223
Miscellaneous income	48,537	—	48,537
	117,112	—	117,112

**4 Investment income**

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Interest receivable	200	—	200	2,187

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Interest receivable	2,187	—	2,187

**5 Expenditure**

	Non-pay expenditure			2021 Total funds £	2020 Total funds £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	19,856	—	8,737	28,593	18,675
Support costs	1,314	906	571	2,791	8,574
	21,170	906	9,308	31,384	27,249
School's educational operations					
Direct costs	3,054,897	488,424	237,706	3,781,027	3,146,553
Allocated support costs	568,741	392,231	288,495	1,249,467	1,427,008
	3,623,638	880,655	526,201	5,030,494	4,573,561
	3,644,808	881,561	535,509	5,061,878	4,600,810

**Notes to the Financial Statements** Year to 31 August 2021

**5 Expenditure (continued)**

	Staff costs £	Non pay expenditure		2020 Total funds £
		Premises £	Other costs £	
Expenditure on raising funds				
. Direct costs	18,275	—	400	18,675
. Support costs	3,026	3,785	1,763	8,574
	21,301	3,785	2,163	27,249
School's educational operations				
. Direct costs	2,703,946	206,030	236,577	3,146,553
. Allocated support costs	491,598	637,817	297,593	1,427,008
	3,195,544	843,847	534,170	4,573,561
	3,216,845	847,632	536,333	4,600,810

**Net income for the year includes:**

	2021 £	2020 £
Operating lease rentals	90,041	229,832
Loss on disposal of fixed assets	6	—
Depreciation	488,424	206,030
Fees payable to auditor		
. Audit	8,880	8,100
. Other services	4,625	4,450

**6 Charitable activities – School's educational operations**

	2021 Total funds £	2020 Total funds £
Direct costs	3,781,027	3,146,553
Support costs	1,249,467	1,427,008
	5,030,494	4,573,561

	2021 Total funds £	2020 Total funds £
Support staff costs	568,741	491,598
Premises costs	392,231	637,817
Legal costs	41,270	600
Other support costs	233,751	284,443
Governance costs	13,474	12,550
<b>Total support costs</b>	<b>1,249,467</b>	<b>1,427,008</b>



## Notes to the Financial Statements Year to 31 August 2021

### 7 Comparative information

	Unrestricted general fund £	Restricted funds		2020 Total funds £
		General £	Fixed assets fund £	
<b>Income from:</b>				
Donations and capital grants	—	147,315	235,675	<b>382,990</b>
Charitable activities				
· Funding for the School's educational operations	120,028	4,094,406	—	<b>4,214,434</b>
Other trading activities	117,112	—	—	<b>117,112</b>
Investments	2,187	—	—	<b>2,187</b>
<b>Total income</b>	<b>239,327</b>	<b>4,241,721</b>	<b>235,675</b>	<b>4,716,723</b>
<b>Expenditure on:</b>				
Raising funds	27,249	—	—	<b>27,249</b>
Charitable activities				
· School's educational operations	185,398	4,182,133	206,030	<b>4,573,561</b>
<b>Total expenditure</b>	<b>212,647</b>	<b>4,182,133</b>	<b>206,030</b>	<b>4,600,810</b>
<b>Net income</b>	<b>26,680</b>	<b>59,588</b>	<b>29,645</b>	<b>115,913</b>
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension scheme	—	(203,000)	—	<b>(203,000)</b>
<b>Net movement in funds</b>	<b>26,680</b>	<b>(143,412)</b>	<b>29,645</b>	<b>(87,087)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September 2019	90,887	(34,220)	2,812,973	<b>2,869,640</b>
<b>Total fund balances carried forward at 31 August 2020</b>	<b>117,567</b>	<b>(177,632)</b>	<b>2,842,618</b>	<b>2,782,553</b>

## 8 Staff

### (a) Staff costs

Staff costs during the year were:

	2021 Total funds £	2020 Total funds £
Wages and salaries	2,654,522	2,317,839
Social security costs	201,120	182,822
Operating costs of defined benefit pension schemes	767,148	648,939
	<b>3,622,790</b>	<b>3,149,600</b>
Supply teacher costs	22,018	20,995
Staff restructuring costs	—	46,250
	<b>3,644,808</b>	<b>3,216,845</b>

### (b) Staff restructuring costs

There were no non-statutory or non-contractual severance payments made during the year ended 31 August 2021. Staff restructuring costs during 2019/20 comprised a single, non-statutory severance payment of £46,250.

### (c) Staff numbers

The average number of persons (including the Senior Management Team) employed by the School during the period was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	55	49
Teaching support staff	42	35
Administration and support	19	15
Management	6	6
	<b>122</b>	<b>105</b>

### (d) Higher paid staff

The number of employees whose benefits (excluding employer's pension contributions) exceeded £60,000 was:

	2021 No.	2020 No.
£60,001 – £70,000	—	1
£70,001 – £80,000	1	—

During 2021, the employee in question participated in the Teachers' Pension Scheme. Employer's pension contributions for this member of staff amounted to £16,459 (2020 – £16,233).

**8 Staff (continued)**

**(e) Key management personnel**

The key management personnel of the School comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel for their services to the School was £406,380 (2020 – £408,435).

**9 Governors' remuneration and expenses**

One or more Staff Governors has been paid remuneration or has received other benefits from an employment with the School. The principal and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff members under their contracts of employment. No non-Staff Governors received any financial remuneration. The value of Governors' remuneration and other benefits was as follows:

	2021 £'000	2020 £'000
M Khatib (Executive Head and Governor)		
Remuneration	70 – 80	65 – 70
Employer's pension contributions	15 – 20	15 – 20

During the year ended 31 August 2021, £1,038 of expenses was reimbursed to one Staff Governors in respect of expenditure incurred in their role as an employee (2020 – £241 to one Governor).

Other related party transactions are set out in note 19.

**10 Governors' and Officers' insurance**

In accordance with normal commercial practice, the School has purchased Risk Protection Arrangement (RPA) insurance from the DfE to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. This has been purchased as part of a wider global insurance premium. The cost of belonging to the RPA for the year ended 31 August 2021 was £11,556 (2020 – £10,764). The insurance provides cover of up to £10 million on any one claim.

## Notes to the Financial Statements Year to 31 August 2021

### 11 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
<b>Cost/ valuation</b>						
At 1 September 2020	2,680,688	406,911	346,009	748,388	31,140	<b>4,213,136</b>
Donated fixed assets	20,000,000	—	721,274	9,912	—	<b>20,731,186</b>
Additions	—	—	13,845	109,019	—	<b>122,864</b>
Disposals	—	(406,911)	(1,250)	—	—	<b>(408,161)</b>
At 31 August 2021	<u>22,680,688</u>	<u>—</u>	<u>1,079,878</u>	<u>867,319</u>	<u>31,140</u>	<b>24,659,025</b>
<b>Depreciation</b>						
At 1 September 2020	248,253	406,911	229,588	468,070	17,696	<b>1,370,518</b>
Charge for the year	268,376	—	112,760	104,355	2,933	<b>488,424</b>
Disposals	—	(406,911)	(624)	—	—	<b>(407,535)</b>
At 31 August 2021	<u>516,629</u>	<u>—</u>	<u>341,724</u>	<u>572,425</u>	<u>20,629</u>	<b>1,451,407</b>
<b>Net book value</b>						
At 31 August 2021	<u><b>22,164,059</b></u>	<u>—</u>	<u><b>738,154</b></u>	<u><b>294,894</b></u>	<u><b>10,511</b></u>	<b>23,207,618</b>
At 31 August 2020	<u>2,432,435</u>	<u>—</u>	<u>116,421</u>	<u>280,318</u>	<u>13,444</u>	<b>2,842,618</b>

The School's permanent site was donated to the School by the ESFA on 3 March 2021. In the absence of a market valuation for the year ended 31 August 2021, has included the gift at the cost to the ESFA of renovating the structure into a specialised school building and constructing additional wings on the property. This cost amounted to £20,000,000 in respect of the building and £661,295 in respect of internal fixtures and fittings. Other donated assets included fitness equipment worth £5,979 and donated Chromebooks valued at £9,912.

### 12 Debtors

	2021 £	2020 £
Trade debtors	<b>5,124</b>	2,410
VAT recoverable	<b>68,569</b>	32,060
Other debtors	<b>101</b>	46,559
Prepayments and accrued income	<u><b>122,454</b></u>	<u>142,248</u>
	<b>196,248</b>	223,277

**Notes to the Financial Statements** Year to 31 August 2021

**13 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	134,305	77,929
Taxation and social security	5	5
ESFA creditor: abatement of GAG	121,302	242,263
ESFA creditor: VAT	—	5,631
Other creditors	58,566	4,691
Accruals and deferred income	110,458	84,955
	<b>424,636</b>	<b>415,474</b>
<b>Deferred income</b>		
Deferred Income at 1 September 2020	70,537	62,379
Amounts released from previous years	(70,537)	(62,379)
Resources deferred in the year	72,522	70,537
Deferred income at 31 August 2021	<b>72,522</b>	<b>70,537</b>

Deferred income of £72,522 (2020 – £70,537) relates to capital grant funding, income received for school trips, Universal Free School Meal income and rental hire income received in advance.

Notes to the Financial Statements Year to 31 August 2021

14 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	651,368	3,227,875	(3,465,605)	(7,374)	<b>406,264</b>
. Pupil Premium	—	96,123	(96,123)	—	—
. Start-up grant	—	48,000	(48,000)	—	—
. Other DfE/ ESFA grants					
.. Universal Infant Free School Meals	—	78,770	(78,770)	—	—
.. Teachers' Pension and Pay	—	140,021	(140,021)	—	—
.. Catch-up premium	—	47,680	(47,680)	—	—
.. Other DfE/ESFA COVID-19 funding	—	23,091	(23,091)	—	—
.. Coronavirus Job Retention Scheme grant	—	184	(184)	—	—
.. Other COVID-19 funding	—	3,617	(3,617)	—	—
.. Other DfE group grants	—	93,973	(93,973)	—	—
. Local Authority grants	—	183,774	(183,774)	—	—
. Other restricted funds	—	138,232	(138,232)	—	—
. Pension reserve	(829,000)	—	(223,000)	(305,000)	<b>(1,357,000)</b>
	<u>(177,632)</u>	<u>4,081,340</u>	<u>(4,542,070)</u>	<u>(312,374)</u>	<u><b>(950,736)</b></u>
<b>Restricted fixed asset funds</b>					
. DfE/ ESFA capital grants	2,014,400	114,864	(43,902)	7,374	<b>2,092,736</b>
. Donations in kind	817,414	20,731,186	(444,299)	—	<b>21,104,301</b>
. Restricted donations	8,714	—	(180)	—	<b>8,534</b>
. Private sector capital sponsorship	2,090	—	(43)	—	<b>2,047</b>
	<u>2,842,618</u>	<u>20,846,050</u>	<u>(488,424)</u>	<u>7,374</u>	<u><b>23,207,618</b></u>
<b>Total restricted funds</b>	<u>2,664,986</u>	<u>24,927,390</u>	<u>(5,030,494)</u>	<u>(305,000)</u>	<u><b>22,256,882</b></u>
<b>Unrestricted funds</b>					
. General funds	117,567	161,192	(31,384)	—	<b>247,375</b>
<b>Total unrestricted funds</b>	<u>117,567</u>	<u>161,192</u>	<u>(31,384)</u>	<u>—</u>	<u><b>247,375</b></u>
<b>Total funds</b>	<u>2,782,553</u>	<u>25,088,582</u>	<u>(5,061,878)</u>	<u>(305,000)</u>	<u><b>22,504,257</b></u>

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

**14 Funds (continued)**

***Restricted general funds***

*General Annual Grant (GAG)*

This fund comprises the general annual grant received under the funding agreement with the Secretary of State, which is restricted for use in funding the School's educational operations. The transfer from the restricted fixed asset fund to the restricted GAG fund represents the use of Devolved Formula Capital grant funding to cover repairs and maintenance revenue expenditure.

*Start-up grant*

This fund represents funds granted by the Education and Skills Funding Agency to cover diseconomies of scale in the period whilst the School does not contain a cohort for each year group.

*Pupil premium*

This fund represents funds granted by the Education and Skills Funding Agency which are specifically restricted to support pupils from low income families who are eligible for free school meals or have parents in the armed forces.

*Other DfE/ ESFA grants*

This fund represents all other grants from the ESFA which are restricted to funding the academy trust's educational activities, including Coronavirus support grants.

*Local authority grants*

These funds represent grants received from the Local Authority, Surrey County Council, which are restricted to educational purposes.

*Other restricted funds*

These funds comprise all other restricted funds received including private donations.

*Pension reserve*

The pension reserve has been created to separately identify the School's share of the local government pension scheme deficit. All pension scheme movements are recognised through this fund.

***Restricted fixed asset funds***

*DfE/ ESFA capital grants*

This fund represents resources which are to be applied for specific capital purposes imposed by the Department for Education or Education and Skills Funding Agency.

*Donations in kind*

This fund represents the net book value of the School's freehold land and buildings at the old Police Station site, which was received as a donation on start-up.

## Notes to the Financial Statements Year to 31 August 2021

### 14 Funds (continued)

#### **Restricted fixed asset funds (continued)**

##### *Restricted donations and private sector capital sponsorship*

This fund represents the net book value of tangible fixed assets purchased using private and restricted donations.

##### **General funds**

These funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Governors.

#### **Comparative information**

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	409,780	2,863,337	(2,621,749)	—	651,368
. Start Up Grant	—	48,000	(48,000)	—	—
. Pupil Premium	—	99,138	(99,138)	—	—
. Universal Infant Free School Meals	—	33,895	(33,895)	—	—
. Teachers' Pension and Pay	—	61,087	(61,087)	—	—
. Coronavirus Job Retention Scheme grant	—	2,890	(2,890)	—	—
. Programme development	—	279,966	(279,966)	—	—
. Hurst Park rent grant	—	183,533	(183,533)	—	—
. Donated facilities	—	246,948	(246,948)	—	—
. Other DfE group grants	—	53,029	(53,029)	—	—
. Local Authority grants	—	222,583	(222,583)	—	—
. Other restricted funds	—	147,315	(147,315)	—	—
. Pension reserve	(444,000)	—	(182,000)	(203,000)	(829,000)
	<u>(34,220)</u>	<u>4,241,721</u>	<u>(4,182,133)</u>	<u>(203,000)</u>	<u>(177,632)</u>
<b>Restricted fixed asset funds</b>					
. DfE/ ESFA capital grants	1,957,625	235,675	(178,900)	—	2,014,400
. Donations in kind	836,314	—	(18,900)	—	817,414
. Restricted donations	10,749	—	(2,035)	—	8,714
. Private sector capital sponsorship	8,285	—	(6,195)	—	2,090
	<u>2,812,973</u>	<u>235,675</u>	<u>(206,030)</u>	<u>—</u>	<u>2,842,618</u>
<b>Total restricted funds</b>	<u>2,778,753</u>	<u>4,477,396</u>	<u>(4,388,163)</u>	<u>(203,000)</u>	<u>2,664,986</u>
<b>Unrestricted funds</b>					
. General funds	90,887	239,327	(212,647)	—	117,567
<b>Total unrestricted funds</b>	<u>90,887</u>	<u>239,327</u>	<u>(212,647)</u>	<u>—</u>	<u>117,567</u>
<b>Total funds</b>	<u>2,869,640</u>	<u>4,716,723</u>	<u>(4,600,810)</u>	<u>(203,000)</u>	<u>2,782,553</u>



**Notes to the Financial Statements** Year to 31 August 2021

**15 Analysis of net assets between funds**

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2021 £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	—	—	23,207,618	<b>23,207,618</b>
Current assets	247,375	830,900	—	<b>1,078,275</b>
Current liabilities	—	(424,636)	—	<b>(424,636)</b>
Pension scheme liability	—	(1,357,000)	—	<b>(1,357,000)</b>
<b>Total net assets</b>	<b>247,375</b>	<b>(950,736)</b>	<b>23,207,618</b>	<b>22,504,257</b>

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2020 £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	—	—	2,842,618	<b>2,842,618</b>
Current assets	117,567	1,066,842	—	<b>1,184,409</b>
Current liabilities	—	(415,474)	—	<b>(415,474)</b>
Pension scheme liability	—	(829,000)	—	<b>(829,000)</b>
<b>Total net assets</b>	<b>117,567</b>	<b>(177,632)</b>	<b>2,842,618</b>	<b>2,782,553</b>

**16 Commitments under operating leases**

**Operating leases**

At 31 August 2021, the total of the School's future minimum lease payments under non-cancellable operating leases was as follows:

	2021 £	2020 £
Land and buildings	—	—
Amounts due within one year	—	37,040
	—	37,040

## **17 Pension and similar obligations**

The School'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 Surrey County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and the latest actuarial valuation of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### ***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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

### ***Valuation of the Teachers' Pension Scheme***

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

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ 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%.

**17 Pension and similar obligations (continued)**

***Valuation of the Teachers' Pension Scheme (continued)***

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

The employer's pension costs paid to TPS in the period amounted to £508,452 (2020 – £382,007).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

***Local Government Pension Scheme (LGPS)***

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £169,000 (2020 – £134,000), of which employer's contributions totalled £41,000 (2020 – £100,000) and employees' contributions totalled £128,000 (2020 – £34,000). The agreed contribution rates for future years are 16.2% for employers and 5.5% – 12.5% for employees.

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

	At 31 August 2021	At 31 August 2020
<b>Principal Actuarial Assumptions</b>		
Rate of increase in salaries	3.80%	3.10%
Rate of increase for pensions in payment / inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.70%
Inflation assumption (CPI)	2.90%	2.20%

**Notes to the Financial Statements** Year to 31 August 2021

**17 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

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

	<b>At 31 August 2021 Years</b>	<b>At 31 August 2020 Years</b>
<i>Retiring today</i>		
Males	<b>22.3</b>	22.1
Females	<b>24.7</b>	24.3
<i>Retiring in 20 years</i>		
Males	<b>23.4</b>	22.9
Females	<b>26.4</b>	25.7

	<b>At 31 August 2021 £</b>	<b>At 31 August 2020 £</b>
<b>Sensitivity Analysis: Impact on the net pension liability from changes in assumptions</b>		
Discount rate -0.5%	<b>340,000</b>	226,000
Salary increase rate +0.5%	—	2,000
Pension increase rate +0.5%	<b>335,000</b>	221,000

The School's share of the assets and liabilities in the scheme were:

	<b>Fair value at 31 August 2021 £</b>	<b>Fair value at 31 August 2020 £</b>
Equities	<b>668,250</b>	415,440
Corporate bonds	<b>142,560</b>	98,090
Property	<b>62,370</b>	46,160
Cash and other liquid assets	<b>17,820</b>	17,310
<b>Total market value of assets</b>	<b>891,000</b>	577,000
Present value of scheme liabilities		
<b>. Funded</b>	<b>(2,248,000)</b>	(1,406,000)
<b>Deficit in the scheme</b>	<b>(1,357,000)</b>	(829,000)

The actual return on scheme assets was (22.6)% (2020 – 4.8%).

**Notes to the Financial Statements** Year to 31 August 2021

**17 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

<b>Amounts recognised in statement of financial activities</b>	<b>2021 £</b>	<b>2020 £</b>
Current service cost	(335,000)	(272,000)
Interest income	11,000	9,000
Interest cost	(27,000)	(19,000)
Actuarial loss	(305,000)	(203,000)
<b>Total amount recognised in the SOFA</b>	<b>(656,000)</b>	<b>(485,000)</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2021 £</b>	<b>2020 £</b>
At 1 September 2020	1,406,000	861,000
Current service cost	335,000	272,000
Interest cost	27,000	19,000
Employee contributions	41,000	34,000
Actuarial loss	442,000	221,000
Benefits paid	(3,000)	(1,000)
<b>At 31 August 2021</b>	<b>2,248,000</b>	<b>1,406,000</b>

<b>Changes in the fair value of the School's share of scheme assets:</b>	<b>2021 £</b>	<b>2020 £</b>
At 1 September 2020	577,000	417,000
Interest income	11,000	9,000
Actuarial gain	137,000	18,000
Employer contributions	128,000	100,000
Employee contributions	41,000	34,000
Benefits paid	(3,000)	(1,000)
<b>At 31 August 2021</b>	<b>891,000</b>	<b>577,000</b>

**18 Members' liability**

Each member of the School undertakes to contribute to the assets of the School 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 debtors and liabilities contracted before he/ she ceases to be a member.

**19 Related party transactions**

Owing to the nature of the School and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement policy.