

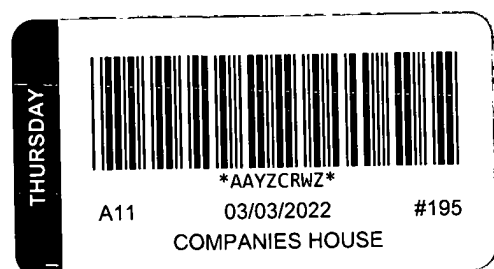
Registration number: 08387242

Cobden Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021



Cobden Primary School

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 11
Governance Statement	12 to 17
Statement of Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements to the Members of Cobden Primary School	20 to 22
Independent Reporting Accountant's Assurance Report on Regularity to Cobden Primary School and the Education and Skills Funding Agency	23 to 24
Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)	25 to 26
Balance Sheet as at 31 August 2021	27
Statement of Cash Flows for the year ended 31 August 2021	28
Notes to the Financial Statements	29 to 47

Cobden Primary School

Reference and Administrative Details

Members	J Bagley (resigned 8 June 2021) S Chowdhury S Murray S Kingscott (appointed 8 June 2021)
Governors and Trustees (Directors)	S Murray (Chair) S Chowdhury J Bagley (resigned 8 June 2021) R S Berry S Kingscott M Lockley F Naffizz M E Cooper C Saunders Z Rimmer (appointed 8 June 2021) J Watson (appointed 8 June 2021)
Senior Management Team	C Saunders, Head Teacher M Lockley, Deputy Head Teacher M E Cooper, Staff governor
Principal and Registered Office	Hume Street Loughborough Leicestershire LE11 1AF
Company Registration Number	08387242
Auditors	Fortus Audit LLP Chartered Accountants and Statutory Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
Bankers	Natwest Bank PLC Loughborough Leicestershire LE11 3NE

Cobden Primary School

Reference and Administrative Details (continued)

Solicitors

Legal Department
Leicestershire County Council
County Hall
Glenfield
Leicestershire
LE3 8RT

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08387242.

The governors act as the trustees for the charitable activities of Cobden Primary School and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees. The cost of this insurance in the year was £20.

Method of recruitment and appointment or election of Trustees

Trustees serve a three year term of office. On reaching this point they can offer to extend their term of office for a further three year term. New Governors are recruited according to the agreed Governing Body structure:

- Chair, Vice Chair and Chair of Finance can appoint up to four new Governors;
- A minimum of three Parent Governors to be appointed;
- Any Staff Governors to represent no more than a third of the total Governing Body.

Vacant posts are filled by the advertising of vacancies to the parent body and to the local community. Interested persons are interviewed by the Head Teacher and express a formal interest to the full Governing Body who then confirm or reject the application by majority vote at the full Governors meeting.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Organisational structure

The Governing Body has the sole authority to:

- Approve the budget;
- Approve the Academy Improvement Plan and associated costs;
- Approve the staffing structure for the year ahead;
- Approve the Academy's planned admission number;
- Approve changes of staff grade and pay;
- Approve the Headteacher's and staff performance advancement;
- Approve all policies;
- Approve changes to charges including lettings and rents;
- Approve all financial controls;
- Approve any expenditure above £5,000;
- Approve permanent exclusions;
- Approve any closures;
- Approve any changes to the timings of the Academy day and holidays.

The Academy has a senior leadership team who meet once every two weeks. The senior leaders have the authority to agree with the Headteacher's approval any curriculum improvements and monitoring arrangements. The Headteacher and Deputy Headteacher have the authority to impose fixed term exclusions and to appoint new staff members. The Headteacher can approve financial expenditure below £5,000.

Arrangements for setting pay and remuneration of key management personnel

The Academy follows the national Teachers Pay and Conditions for teachers pay and set pay increases as agreed through national pay deals and incremental increases following successful performance review meetings. For support staff we follow Leicestershire Local Government pay scales and implemented locally agreed pay increases.

Connected organisations, including related party relationships

The Academy is part of an Academy Partnership with eight other primary schools. All academies within the partnership maintain their independent status including separate Governing Bodies. The partnership is effective in providing support and challenge to each other. The partnership operates a triad model where schools work closely in groups of three schools during the year in order to provide the opportunity for more tailored specific support.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Objectives and activities

Objects and aims

The Academy aims to provide a high quality education for all children taking account of ability and cultural background. The Academy aims to provide a curriculum which is relevant, exciting and which provides a context for the development of key skills and knowledge.

Objectives, strategies and activities

PRIORITY 1. Safety	To ensure that the school is Covid safe and that all government led regulations are adhered to. To support all stakeholders in providing effective education and wellbeing in the event of future lockdowns.
PRIORITY 2. Curriculum	To ensure that the school's curriculum meets the needs of all pupils throughout their primary education; ensuring that all NC objectives are clearly mapped out and consistently taught.
PRIORITY 3. Leadership	To develop subject leadership to ensure a collegiate approach to developing teaching and learning of a consistently high standard – to significantly impact on provision in the classroom and pupil outcomes.
PRIORITY 4. Quality First Teaching	To ensure that each child achieves their targeted potential (including PP and SEND children) through effective QFT and intervention planning.
PRIORITY 5. Wellbeing	To develop the wellbeing and pastoral provision, so that positive behaviours are promoted, emotional resilience is addressed, and support links between home and school are developed and enhanced.

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

In setting objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Achievements and performance

The year started with the development of systems and processes: behaviour and expectations, tiered behaviour approaches, parental engagement, Pupil Premium lead, assessment systems suitable to the needs of the school, safeguarding systems, policy developments, layered appraisal systems for all staff across the school, development of whole school IT systems (laptops for all, TEAMS introduction for file sharing and communication, CPOMS introduction), amongst many other initiatives; Summer 1 and 2 introduced 3 weekly coaching conversations to fully understand the teaching profile of the school and develop plans for the improvement of teaching and learning.

Whole school appraisal structures were established in the autumn term of 2020 for all staff across the school. Layered targets included for Teachers and Support Staff. M&E schedule was agreed and took place across the year.

Covid 19 and the resulting risk assessments, health and safety requirements and boundaries placed upon the school had significant impact on the approaches utilised for whole school organisation and tasks, but were successfully navigated as part of the work carried out by the team at school:

- A risk assessment and handbook was developed in consultation with the school staff and governing body to ensure clear and rigorous safety measures are put in place ahead of the school closing. This was adapted to the continuous national and local picture and included the decision to close the school during an outbreak in the summer term that affected all children.
- All stakeholders were regularly consulted and communicated with on risk assessment, practices and routines and structures: teachers, support staff, office staff, premises officers, early years leads, governors, SLT and parents.
- Individual and departments risk assessments were in place for both Foundation Stage pupils; pupils and staff within the school: BMI, chronic medical conditions, BAME etc. Regular communication and withdrawal from the school for health reasons were accommodated for the safety and wellbeing of staff and pupils.
- 97% of children accessed work at some stage throughout the lockdown. 72% of children engaged with learning on a regular basis from all age groups across the school and relationships and associations with the community increased positively in spite of a 'lockdown' situation.

A curriculum review was carried out in the spring and summer terms both at SLT and middle leadership levels. Curriculum work with other LPAP Heads and an independent review with a school inspector and consultant - Angela Kirk confirmed Headteacher assessment of the existing curriculum to find that the curriculum available to the children requires a degree of concentration from all subject and middle leadership teams. Curriculum policy developments were started and remain in place as curriculum is developed as a priority across the school.

PE and Early Years were reviewed in depth throughout the year and while improvements have been made, ongoing skills development and specialism will remain a focus for these important areas of teaching and learning.

Work started to develop curriculum expectations and approaches to learning towards a 'Learning Journey' approach - based on Rosenshine's Principles in Action. Teacher CPD has utilised small step planning and learning journey approaches to the delivery of thematic teaching across the school. This is a work in progress and will require considerable focus in the following terms and years.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Children's outcomes:

	Reading			Writing			Maths		
	BL	Autumn	Summer	BL	Aut	Summer	BL	Aut	Summer
Year 1	20%	19%	15%	32%	27%	18%	37%	24%	24%
Year 2	62%	67%	69%	50%	52%	55%	66%	67%	67%
Year 3	25%	41%	41%	26%	41%	44%	30%	39%	44%
Year 4	57%	56%	49%	48%	47%	34%	55%	46%	30%
Year 5	53%	61%	56%	39%	60%	40%	54%	70%	49%
Year 6	64%	64%	67%	60%	65%	54%	59%	57%	53%

BL – base line, Autumn = Aut2, Summer = Sum2

EYFS Autumn 20

	Reading	Writing	Writing
Expected	16%	19%	45%
Towards	41%	27%	32%
Emerging	43%	54%	23%

EYFS Summer 21

	Reading	Writing	Number
	45%	45%	45%
	32%	32%	32%
	23%	23%	23%

Phonics pass (end of year) – 75.5% (LPAP average 72.2%)

Reading age progress:

Year group	Standard score average – Mar	Standard score average - Sept	Average standard score progress (Mar – Sept)
Year 2 - 3	N/A	104.7	No Yr 2 reading age
Year 3 - 4	102.53	103.6	0.84
Year 4 - 5	100.17	103.6	2.48
Year 5 - 6	103.21	106.3	3.11

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Although there were no national SATs last year or this year, evidence from recent teacher assessments indicates that pupils' attainment at the end of KS2 and KS1 in Reading has improved since 2019 (by +14% in KS2 and by +9% in KS1). Pupils' average performance in Reading was also closer to the 2019 national averages at both Key Stages (-7% in KS2; -6% in KS1).

Teacher assessment evidence indicates that KS2 pupils' average attainments in Writing and Maths were below pupils' average attainments in 2019 and were also well below the 2019 national averages (-26% in Maths; -24% in Writing).

The average attainment of KS1 pupils in Maths this year improved from 2019 and was closer to the 2019 national average (-9%). KS1 attainment in Writing this year was similar to that of 2019 and was -14% below the 2019 national average.

Falls in pupils' attainments this year in core subjects are not unexpected and have been common in most schools, particularly in Writing. Although comparisons with national benchmarks in 2019 should be regarded with a degree of caution, dips in attainment in Maths and Writing are indicated at KS2 over a two year period and in Writing at KS1.

Going concern

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

Financial review

The Academy had a net decrease in funds for the year ended 31 August 2021 of £14,323 (2020: £13,123 decrease) including fixed assets movements, but excluding pension reserve movements. As at 31 August 2021 the Academy held £185,499 (2020: £182,983) of unrestricted reserves plus £361,542 (2020: £373,409) of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £547,041 (2020: £556,392).

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £2,059,000 (2020: £1,533,000) at 31 August 2021 and a fixed asset reserve of £1,542,955 (2020: 1,547,927) being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Reserves policy

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 6% of the annual budget, being approximately £140,000.

Actual free reserves plus unspent GAG as at 31 August 2021 were £547,040, being approximately £407,000 higher than the target level set by the Trustees. The Trustees intend to use the reserves above target to contribute towards the future in-year deficits forecast for the next 3 financial years.

At 31 August 2021 the Academy's fixed asset reserve of £1,542,956 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £2,059,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

Investment policy

The Academy aims to manage cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. Where surplus cash funds are held the Academy will consider options available to optimise returns whilst ensuring the investments are such that there is no risk to the loss of these cash funds.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Principal risks and uncertainties

Based on the strategic plan, the Governors Strategy Committee undertakes a regular review of the risks to which the Academy is exposed. The committee has identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal will be undertaken in each year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Risk Management Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

A risk register, covering low, medium and high level risks, will be maintained at Academy level. The risk register will identify the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

SEND, Wellbeing and the impact of the pandemic on standards within Education remain a priority for consideration

Fundraising

No fundraising has taken place due to pandemic restrictions.

Plans for future periods

Plans for future periods

The growth plans for the year ahead include

- Areas identified in the RAP
- Re-purposing the building:
- Enhance outdoor provision for EYFS
- Repurposing the EYFS classrooms
- Changing the location of the front entrance of the school
- Storage and work area in the upstairs corridor
- Forest school area in the green space
- Windows
- General maintenance of the school
- Staffing Changes
- PE lead
- EYFS lead
- TLRs

Funds held as Custodian Trustee on behalf of others

No such funds are held by the Academy.

Cobden Primary School

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Auditor

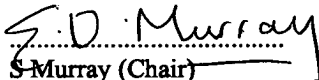
Insofar as the Trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Fortus Audit LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 15/12/21 and signed on its behalf by:


S.D. Murray (Chair)
Governor and trustee

Cobden Primary School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Cobden Primary School 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 Governing Body has delegated the day-to-day responsibility to C Saunders, 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 Cobden Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
C Saunders	3	3
S Murray	3	3
S Chowdhury	3	3
M Lockley	3	3
J Bagley (resigned 8 June 2021)	1	3
R S Berry	2	3
F Naffizz	2	3
M E Cooper	3	3
Z Rimmer (appointed 8 June 2021)	1	1
J Watson (appointed 8 June 2021)	1	1
S Kingscott	2	3

Governance reviews

The Academy has a very well focussed improvement plan which sets out precise strategies for leaders to make judgements regarding the strengths and areas of improvement required by staff. All senior leaders make regular judgements regarding the quality of individual teachers work and provide detailed constructive feedback. The Head Teacher has regularly been able to have his judgements moderated by Ofsted and partners in the Loughborough Primary Academy Partnership.

There is a well structured plan of monitoring and plans in place to deal with under performance. Governors are directly involved in monitoring the activities of the school linked to School Development Priorities.

The Academy will look to conduct a governance self evaluation annually. An FMGS was completed by the Academy within the first year, and found to be a useful tool and provides helpful assurance to the Board of Trustees that arrangements meet the mandatory requirements.

Cobden Primary School

Governance Statement (continued)

- Changes in the composition of the Board are indicated on page 1 of the financial statements and all were of a routine nature.
- The Board's work was typical for a primary Academy of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with by the Trustees during their work.
- A review of the Board's performance in the year is detailed below. Challenges encountered have been of a routine nature concerning finances, staff management and educational standards.
- The quality of data flowing to the Board is considered acceptable by Trustees based on their experience, their own observations, enquiries and judgements.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to

- To develop the annual draft budget for approval by the Governing Body taking into account school development priorities;
- To monitor expenditure against the budget plan and agree adjustments including decisions as necessary;
- To approve tenders and expenditure between £5,000 and £25,000;
- To maintain inventories and security of assets;
- To formulate a charging and remissions policy for activities;
- To determine payments regarding petty cash;
- To consider the recommendations of the performance management governors in relation to the Headteachers pay;
- To monitor actions following an LA Internal Audit;
- The committee will respond to consultations on financial matters, and;
- To review the Finance Manual annually.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Murray	3	3
M Lockley	2	3
R S Berry	2	3
J Bagley (resigned 8 June 2021)	1	3
C Saunders	3	3
Z Rimmer (appointed 8 June 2021)	1	1
J Watson (appointed 8 June 2021)	1	1

Cobden Primary School

Governance Statement (continued)

Review of value for money

As accounting officer the Head Teacher has responsibility for ensuring that the academy 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

The Board of Trustees is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

What Is Best Value?

Trustees will apply the four principles of best value:

Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?

Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?

Consult - How does the school seek the views of stakeholders about the services the school provides?

Compete - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Trustees' Approach

The Trustees and school managers will apply the principles of best value when making decisions about:

The use of educational resources to best support the various educational needs of all pupils

The allocation of resources to best promote the aims and values of the Academy.

The targeting of resources to best improve standards and the quality of provision.

Trustees, and the school managers, will:

Make comparisons with other/similar schools using data provided by the LA and the Government, e.g. quality of teaching; learning, levels of expenditure.

Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.

Require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g., redecoration and refurbishment projects.

Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. sex and relationships education, pupil reports, assigned inspector, Ofsted, maintenance consultant, Borough Energy Group.

This will apply in particular to:

Staffing

Use of premises

Use of resources

Quality of teaching

Quality of learning

Purchasing

Pupils' welfare

Health and safety

Cobden Primary School

Governance Statement (continued)

Trustees and school managers:

Will not waste time and resources on investigating minor areas where few improvements can be achieved.

Will not waste time and resources to make minor savings in costs.

Will not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

Trustees and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Trustees and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

Use of Resources

Trustees and school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Trustees and school managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- A curriculum which meets the requirements of the National Curriculum, the LA Agreed RE Syllabus, and the needs of pupils.
- Teaching which builds on previous learning and has high expectations of children's achievement Learning

Learning

Trustees and school managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets.

Purchasing

Trustees and school managers will develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include: Competitive tendering procedures (e.g. for goods and services above £5,000).

Procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship).

Procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Pupils' Welfare

Trustees and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Cobden Primary School

Governance Statement (continued)

Health & Safety

Trustees and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the Head teacher and curriculum managers, e.g. classroom practice, work sampling.
2. Yearly target setting meetings between the Head teacher and curriculum managers.
3. Annual performance management.
4. Annual budget planning.
5. Headteacher's meetings with the Finance Officer,
6. Analysis of school pupil performance data, e.g. SATs results, standardised test results, against all schools, LA schools, and similar schools.
7. Analysis of LA pupil performance data, e.g. Graph Packs.
8. Analysis of LA financial data, bench mark data for all schools, LA schools, similar schools.
9. Analysis of DfEs pupil performance data, e.g. Raise Online.
10. Ofsted inspection reports.
11. Trustees' classroom observations and discussion of monitoring reports.
12. Trustees' termly committee meetings.
13. Trustees' full termly meetings.
14. Trustees' annual finance review.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cobden Primary 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 Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant 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 Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes 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;

Cobden Primary School

Governance Statement (continued)

- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

The latest internal audit visit was in July 2021. No material issues were identified as a result of the internal auditor's review.

On an annual basis, the auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

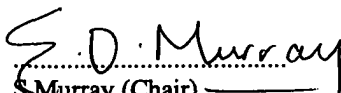
Review of effectiveness

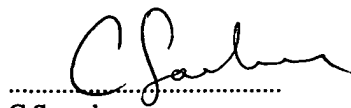
As Accounting Officer, C Saunders has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 15/12/21 and signed on its behalf by:


S.D. Murray (Chair)
Governor and trustee


C Saunders
Governor and trustee

14.12.21

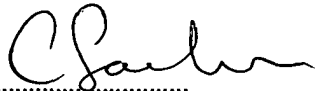
Cobden Primary School

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Cobden Primary School I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust'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 Governing Body and ESFA.



.....
C Saunders
Accounting officer

Date:..... 14-12-21

Cobden Primary School

Statement of Trustees' Responsibilities

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

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

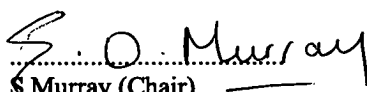
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 15/12/21 and signed on its behalf by:


S. Murray (Chair)
Governor and trustee

Cobden Primary School

Independent Auditor's Report on the Financial Statements to the Members of Cobden Primary School

Opinion

We have audited the financial statements of Cobden Primary School (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees 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.

Cobden Primary School

Independent Auditor's Report on the Financial Statements to the Members of Cobden Primary School (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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.

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:

Cobden Primary School

Independent Auditor's Report on the Financial Statements to the Members of Cobden Primary School (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting frameworks.

We understood how the Academy Trust is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the Academy Trust has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Richard Buckby FCA (SENIOR STATUTORY AUDITOR)
For and on behalf of Fortus Audit LLP, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date: 16/12/2021

Cobden Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Cobden Primary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 September 2020 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 Cobden Primary School during the period 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 Cobden Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Cobden Primary School 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 Cobden Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook 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 year 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. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in place.

Cobden Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Cobden Primary School and the Education and Skills Funding Agency (continued)

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 year 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.



Richard Buckby FCA

For and on behalf of Fortus Audit LLP, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date: 16/12/2021

Cobden Primary School

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	2	300	910	8,174	9,384
Other trading activities	4	8,482	201,621	-	210,103
Investments	5	229	-	-	229
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,061,902	-	2,061,902
Total		9,011	2,264,433	8,174	2,281,618
Expenditure on:					
Raising funds	6	-	267,456	-	267,456
<i>Charitable activities:</i>					
Academy trust educational operations	7	710	2,092,575	89,888	2,183,173
Other		5,785	2,527	-	8,312
Total		6,495	2,362,558	89,888	2,458,941
Net income/(expenditure)		2,516	(98,125)	(81,714)	(177,323)
Transfers between funds		-	(76,742)	76,742	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	(363,000)	-	(363,000)
Net movement in funds/(deficit)		2,516	(537,867)	(4,972)	(540,323)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		182,983	(1,159,591)	1,547,927	571,319
Total funds/(deficit) carried forward at 31 August 2021		185,499	(1,697,458)	1,542,955	30,996

Cobden Primary School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

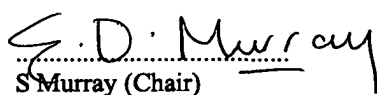
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	60	3,541	8,196	11,797
Other trading activities	4	11,703	188,011	-	199,714
Investments	5	435	-	-	435
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,022,544	-	2,022,544
Total		12,198	2,214,096	8,196	2,234,490
Expenditure on:					
Raising funds	6	-	245,684	-	245,684
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,215	2,047,995	96,040	2,145,250
Other		4,588	19,091	-	23,679
Total		5,803	2,312,770	96,040	2,414,613
Net income/(expenditure)		6,395	(98,674)	(87,844)	(180,123)
Transfers between funds		-	(38,680)	38,680	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	43,000	-	43,000
Net movement in funds/(deficit)		6,395	(94,354)	(49,164)	(137,123)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		176,588	(1,065,237)	1,597,091	708,442
Total funds/(deficit) carried forward at 31 August 2020		182,983	(1,159,591)	1,547,927	571,319

Cobden Primary School

(Registration number: 08387242)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	1,542,955	1,547,927
Current assets			
Debtors	12	40,979	48,733
Cash at bank and in hand		492,609	678,511
Current asset investment		200,664	-
		<u>734,252</u>	<u>727,244</u>
Creditors: Amounts falling due within one year	13	<u>(187,211)</u>	<u>(170,852)</u>
Net current assets		<u>547,041</u>	<u>556,392</u>
Total assets less current liabilities		<u>2,089,996</u>	<u>2,104,319</u>
Net assets excluding pension liability		2,089,996	2,104,319
Pension scheme liability	21	<u>(2,059,000)</u>	<u>(1,533,000)</u>
Net assets including pension liability		<u><u>30,996</u></u>	<u><u>571,319</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		361,542	373,409
Restricted fixed asset fund		1,542,955	1,547,927
Restricted pension fund		<u>(2,059,000)</u>	<u>(1,533,000)</u>
		(154,503)	388,336
Unrestricted funds			
Unrestricted general fund		<u>185,499</u>	<u>182,983</u>
Total funds		<u><u>30,996</u></u>	<u><u>571,319</u></u>

The financial statements on pages 25 to 47 were approved by the Trustees, and authorised for issue on 15/12/21. and signed on their behalf by:


 S Murray (Chair)
 Governor and trustee

Cobden Primary School

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	91,275	56,927
Cash flows from investing activities	18	<u>(277,177)</u>	<u>(38,243)</u>
Change in cash and cash equivalents in the year		(185,902)	18,684
Cash and cash equivalents at 1 September		<u>678,511</u>	<u>659,827</u>
Cash and cash equivalents at 31 August	19	<u><u>492,609</u></u>	<u><u>678,511</u></u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021

1 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 academy trust, which is a public benefit entity under FRS 102, 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.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the trustees consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust 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 academy trust has provided the goods or services.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Leasehold buildings	2% straight line
Leasehold buildings - roof	6% straight line
Leasehold land	125 years - over the term of the lease
Furniture and fixtures	25% straight line
Computer equipment	33% straight line

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust 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.

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Taxation

The academy trust 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 academy trust 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.

Pension benefits

Retirement benefits to employees of the academy trust 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 to spread the cost of pensions over employees' working lives with the academy trust 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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 assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 31/08/2021. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Educational trips and visits	-	910	-	910	3,541
Capital grants	-	-	8,174	8,174	8,196
Other donations	300	-	-	300	60
	<u>300</u>	<u>910</u>	<u>8,174</u>	<u>9,384</u>	<u>11,797</u>

The income from donations and capital grants was £9,384 (2020: £11,797) which was allocated between the funds as follows; £300 unrestricted funds (2020: £60), £910 restricted funds (2020: £3,541), £8,174 restricted fixed asset funds (2020: £8,196) and £Nil endowment funds (2020: £Nil).

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA revenue grants			
General Annual Grant	1,659,264	1,659,264	1,628,271
Other Dfe group grants	99,638	99,638	86,114
Pupil premium	186,233	186,233	184,911
UISFM	34,695	34,695	41,776
	<u>1,979,830</u>	<u>1,979,830</u>	<u>1,941,072</u>
Other government grants			
Local Authority grants	54,312	54,312	81,472
Covid-19 additional funding (DfE/ESFA)			
Covid-19 DFE/EFA catch-up premium	27,760	27,760	-
Total grants	<u>2,061,902</u>	<u>2,061,902</u>	<u>2,022,544</u>

The funding for educational operations was £2,061,902 (2020: £2,022,544) which was allocated between the funds as follows; £Nil unrestricted funds (2020: £Nil), £2,061,902 restricted funds (2020: £2,022,544), £Nil restricted fixed asset funds (2020: £Nil) and £Nil endowment funds (2020: £Nil).

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 and Pupil Premium 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.

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	-	-	-	368
Income from other charitable activities	8,482	201,621	210,103	199,346
	<u>8,482</u>	<u>201,621</u>	<u>210,103</u>	<u>199,714</u>

The income from other trading activities was £210,103 (2020: £199,714) which was allocated between the funds as follows; £8,482 unrestricted funds (2020: £11,701), £201,621 restricted funds (2020: £188,013), £Nil restricted fixed asset funds (2020: £Nil) and £Nil endowment funds (2020: £Nil).

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Bank Interest	229	229	435

The income from other trading activities was £229 (2020: £435) which was allocated between the funds as follows; £229 unrestricted funds (2020: £435), £Nil restricted funds (2020: £Nil), £Nil restricted fixed asset funds (2020: £Nil) and £Nil endowment funds (2020: £Nil).

6 Expenditure

	Non Pay Expenditure			2020/21 Total £	2019/20 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	267,456	-	-	267,456	245,684
Academy's educational operations					
Direct costs	1,323,520	-	123,744	1,447,264	1,396,628
Allocated support costs	411,132	161,226	171,863	744,221	772,301
	<u>2,002,108</u>	<u>161,226</u>	<u>295,607</u>	<u>2,458,941</u>	<u>2,414,613</u>

Net income/(expenditure) for the year includes:

	2020/21 £	2019/20 £
Operating lease rentals	2,622	5,243
Depreciation	89,888	96,040
Fees payable to auditor - audit	5,600	5,400
- other audit services	<u>750</u>	<u>750</u>

7 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	1,447,264	1,396,628
Support costs - educational operations	<u>744,221</u>	<u>772,301</u>
	<u>2,191,485</u>	<u>2,168,929</u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities (continued)

	Educational operations £	2020/21 Total £	2019/20 Total £
Analysis of support costs			
Support staff costs	411,132	411,132	378,919
Depreciation	89,888	89,888	96,040
Technology costs	11,125	11,125	13,528
Premises costs	71,338	71,338	77,761
Other support costs	154,283	154,283	199,889
Governance costs	6,455	6,455	6,164
Total support costs	<u>744,221</u>	<u>744,221</u>	<u>772,301</u>

8 Staff

Staff costs

	2020/21 £	2019/20 £
Staff costs during the year were:		
Wages and salaries	1,431,300	1,385,876
Social security costs	123,423	107,344
Operating costs of defined benefit pension schemes	440,159	443,999
	<u>1,994,882</u>	<u>1,937,219</u>
Supply staff costs	7,226	2,195
	<u>2,002,108</u>	<u>1,939,414</u>

Staff numbers

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

	2020/21 No	2019/20 No
Teachers	21	20
Administration and support	62	62
Management	2	1
	<u>85</u>	<u>83</u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2021 No	2020 No
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 pension contributions for this staff member amounted to £12,668 (2020: £17,955).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £213,586 (2020: £179,404).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

M Stevens (Head Teacher):

Remuneration: £Nil (2020 - £75,000 - £80,000)

Employer's pension contributions: £Nil (2020 - £15,000 - £20,000)

M Lockley (Staff trustee):

Remuneration: £55,000 - £60,000 (2020 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £10,000 - £15,000)

C Saunders (Head Teacher):

Remuneration: £60,000 - £65,000 (2020 - £0 - £5,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £0 - £5,000)

M E Cooper (Staff trustee):

Remuneration: £40,000 - £45,000 (2020 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2020 - £5,000 - £10,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £60 (2020 - £656) were reimbursed or paid directly to 2 trustees (2020 - 3).

Other related party transactions involving the trustees are set out in note 22.

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2021 was £20 (2020 - £318).

The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2020	1,701,935	193,999	114,198	2,010,132
Additions	61,315	-	23,601	84,916
Disposals	-	-	(14,997)	(14,997)
At 31 August 2021	<u>1,763,250</u>	<u>193,999</u>	<u>122,802</u>	<u>2,080,051</u>
Depreciation				
At 1 September 2020	222,537	133,183	106,485	462,205
Charge for the year	33,574	43,898	12,416	89,888
Eliminated on disposals	-	-	(14,997)	(14,997)
At 31 August 2021	<u>256,111</u>	<u>177,081</u>	<u>103,904</u>	<u>537,096</u>
Net book value				
At 31 August 2021	<u>1,507,139</u>	<u>16,918</u>	<u>18,898</u>	<u>1,542,955</u>
At 31 August 2020	<u>1,479,398</u>	<u>60,816</u>	<u>7,713</u>	<u>1,547,927</u>

12 Debtors

	2021 £	2020 £
VAT recoverable	3,924	6,902
Prepayments	5,830	5,815
Accrued grant and other income	<u>31,225</u>	<u>36,016</u>
	<u>40,979</u>	<u>48,733</u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	26,944	25,893
Other creditors	35,135	34,448
Accruals	63,860	52,357
Deferred income	61,272	58,154
	<u>187,211</u>	<u>170,852</u>
	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	58,154	88,912
Resources deferred in the period	61,272	58,154
Amounts released from previous periods	<u>(58,154)</u>	<u>(88,912)</u>
Deferred income at 31 August 2021	<u>61,272</u>	<u>58,154</u>

The closing balance of deferred income mainly relates to Universal Infant Free School Meals and Nursery Education Grant funding received in advance of the 2021/22 academic year.

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	373,409	1,659,265	(1,594,390)	(76,742)	361,542
Pupil premium	-	186,232	(186,232)	-	-
Other Dfe Group grants	-	99,638	(99,638)	-	-
Local Authority grants	-	54,312	(54,312)	-	-
Other funding	-	201,621	(201,621)	-	-
Other trading and donations	-	910	(910)	-	-
Catch up premium	-	27,760	(27,760)	-	-
UIFSM	-	34,695	(34,695)	-	-
	<u>373,409</u>	<u>2,264,433</u>	<u>(2,199,558)</u>	<u>(76,742)</u>	<u>361,542</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	1,547,927	8,174	(89,888)	76,742	1,542,955
Restricted pension funds					
Pension reserve	<u>(1,533,000)</u>	<u>-</u>	<u>(163,000)</u>	<u>(363,000)</u>	<u>(2,059,000)</u>
Total restricted funds	388,336	2,272,607	(2,452,446)	(363,000)	(154,503)
Unrestricted funds					
Unrestricted general funds	<u>182,983</u>	<u>9,011</u>	<u>(6,495)</u>	<u>-</u>	<u>185,499</u>
Total funds	<u><u>571,319</u></u>	<u><u>2,281,618</u></u>	<u><u>(2,458,941)</u></u>	<u><u>(363,000)</u></u>	<u><u>30,996</u></u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	343,763	1,620,900	(1,552,574)	(38,680)	373,409
Pupil premium	-	184,911	(184,911)	-	-
Other Dfe Group grants	-	92,360	(92,360)	-	-
Local Authority grants	-	82,597	(82,597)	-	-
Other funding	-	191,552	(191,552)	-	-
UIFSM	-	41,776	(41,776)	-	-
	<u>343,763</u>	<u>2,214,096</u>	<u>(2,145,770)</u>	<u>(38,680)</u>	<u>373,409</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	1,597,091	8,196	(96,040)	38,680	1,547,927
Restricted pension funds					
Pension reserve	<u>(1,409,000)</u>	<u>-</u>	<u>(167,000)</u>	<u>43,000</u>	<u>(1,533,000)</u>
Total restricted funds	531,854	2,222,292	(2,408,810)	43,000	388,336
Unrestricted funds					
Unrestricted general funds	<u>176,588</u>	<u>12,198</u>	<u>(5,803)</u>	<u>-</u>	<u>182,983</u>
Total funds	<u><u>708,442</u></u>	<u><u>2,234,490</u></u>	<u><u>(2,414,613)</u></u>	<u><u>43,000</u></u>	<u><u>571,319</u></u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

The DfE Group restricted funds grants consists of Universal Infant Free School Meals (UIFSM) and PE Sport Grant. All funds have been spent in full within the year.

The Local Authority restricted funds grant consists of Special Educational Needs (SEN) funding. All funds have been spent in full within the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed asset fund where it has been spent. The closing balance represent the net book value of assets concerned.

The transfer from Local Authority relates to the value of leasehold land and buildings transferred from the Local Authority to the Academy on conversion. The closing balance relates to the net book value of the assets concerned.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

15 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,542,955	1,542,955
Current assets	182,953	551,299	-	734,252
Current liabilities	-	(187,211)	-	(187,211)
Pension scheme liability	-	(2,059,000)	-	(2,059,000)
Total net assets	182,953	(1,694,912)	1,542,955	30,996

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,547,927	1,547,927
Current assets	182,983	544,261	-	727,244
Current liabilities	-	(170,852)	-	(170,852)
Pension scheme liability	-	(1,533,000)	-	(1,533,000)
Total net assets	<u>182,983</u>	<u>(1,159,591)</u>	<u>1,547,927</u>	<u>571,319</u>

16 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	3,400	2,622
Amounts due between one and five years	<u>11,900</u>	<u>-</u>
	<u>15,300</u>	<u>2,622</u>

17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020/21 £	2019/20 £
Net expenditure	(177,323)	(180,123)
Depreciation	89,888	96,040
Capital grants from DfE and other capital income	(8,174)	(8,196)
Interest receivable	(229)	(435)
Defined benefit pension scheme costs less contributions payable	136,000	139,000
Defined benefit pension scheme finance cost	27,000	28,000
Decrease in debtors	7,754	7,840
Increase/(decrease) in creditors	<u>16,359</u>	<u>(25,199)</u>
Net cash provided by Operating Activities	<u>91,275</u>	<u>56,927</u>

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Cash flows from investing activities

	2020/21 £	2019/20 £
Purchase of tangible fixed assets	(84,916)	(46,874)
Purchase of investments	(200,664)	-
Capital funding received from sponsors and others	8,174	8,196
Investments income	<u>229</u>	<u>435</u>
Net cash used in investing activities	<u>(277,177)</u>	<u>(38,243)</u>

19 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>492,609</u>	<u>678,511</u>
Total cash and cash equivalents	<u>492,609</u>	<u>678,511</u>

20 Members' liability

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

21 Pension and similar obligations

The academy trust'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 Leicestershire 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 of the LGPS 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 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.

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £172,757 (2020: £165,191).

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 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.

Local government pension scheme

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 £177,000 (2020 - £171,000), of which employer's contributions totalled £142,000 (2020 - £138,000) and employees' contributions totalled £35,000 (2020 - £33,000). The agreed contribution rates for future years are 21.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.90	2.20
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2021	2020
Retiring today		
Males retiring today	21.70	21.50
Females retiring today	24.20	23.80
Retiring in 20 years		
Males retiring in 20 years	22.60	22.20
Females retiring in 20 years	<u>25.90</u>	<u>25.20</u>

The academy trust's share of the assets in the scheme were:

	2021 £	2020 £
Equities	1,498,000	1,165,000
Other bonds	749,000	573,000
Property	181,000	158,000
Cash and other liquid assets	<u>155,000</u>	<u>79,000</u>
Total market value of assets	<u>2,583,000</u>	<u>1,975,000</u>

The actual return on scheme assets was £450,000 (2020 - (£111,000)).

Cobden Primary School

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020/21 £	2019/20 £
Current service cost	278,000	277,000
Interest income	(35,000)	(38,000)
Interest cost	62,000	66,000
Total amount recognized in the SOFA	<u>305,000</u>	<u>305,000</u>

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

	2020/21 £	2019/20 £
At start of period	3,508,000	3,337,000
Current service cost	278,000	277,000
Interest cost	62,000	66,000
Employee contributions	35,000	33,000
Actuarial (gain)/loss	778,000	(192,000)
Benefits paid	<u>(19,000)</u>	<u>(13,000)</u>
At 31 August	<u>4,642,000</u>	<u>3,508,000</u>

Changes in the fair value of academy's share of scheme assets:

	2020/21 £	2019/20 £
At start of period	1,975,000	1,928,000
Interest income	35,000	38,000
Actuarial gain/(loss)	415,000	(149,000)
Employer contributions	142,000	138,000
Employee contributions	35,000	33,000
Benefits paid	<u>(19,000)</u>	<u>(13,000)</u>
At 31 August	<u>2,583,000</u>	<u>1,975,000</u>

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.