

Registration number: 08564471

# Old Dalby Church of England Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Fortus Audit LLP  
Chartered Accountants and Statutory Auditors  
Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

# Old Dalby Church of England Primary School

## Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 9
Governance Statement	10 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 to 18
Independent Reporting Accountant's Report on Regularity	19 to 20
Statement of Financial Activities incorporating Income and Expenditure Account	21 to 22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 to 42

# Old Dalby Church of England Primary School

## Reference and Administrative Details

<b>Members</b>	Mrs M Morris Mrs C Purcell Reverend P Hooper The Diocese of Leicester Educational Trust
<b>Governors and Trustees (Directors)</b>	Mr P Hutchinson Miss C Todd (Chair) (appointed 27 September 2019) Mr P Hutchinson Mrs T S Fowkes Mrs R Browne Mrs R Holland Mr M Wright Mrs J Scott Mrs S Oldfield (appointed 29 January 2020) Mrs E Hickton (appointed 28 February 2020)
<b>Company Secretary</b>	Mrs L Bridgeman
<b>Senior Leadership Team</b>	Mrs R Browne, Head Teacher Mrs K Keast, Deputy Head Teacher Mrs J Scott, Deputy Head Teacher
<b>Principal and Registered Office</b>	Old Dalby Church of England Primary School Longcliff Hill Old Dalby Melton Mowbray Leicestershire LE14 3JY
<b>Company Registration Number</b>	08564471
<b>Auditors</b>	Fortus Audit LLP Chartered Accountants and Statutory Auditors Hamilton Office Park 31 High View Close Leicester LE4 9LJ 16 November 2020
<b>Bankers</b>	NatWest Bank Plc 7 High Street Melton Mowbray LE13 0TT

**Old Dalby Church of England Primary School**

**Reference and Administrative Details (continued)**

**Solicitors**

Howes Percival  
No. 1 Bede Island Road  
Bede Island Business Park  
Leicester  
LE2 7EA

## **Old Dalby Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. 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 08564471.

The governors act as the trustees for the charitable activities of Old Dalby Church of England 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 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.

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

The number of Governors shall not be less than 3 nor more than 17.

All Governors shall upon appointment give written undertaking to the Foundation Trustees/Members to uphold the Object of the Academy Trust.

Subject to Articles 48 and 49, The Academy Trust shall have the following Governors:

- (a) Up to 5 Governors, appointed under Article 50:
- (b) Up to 3 Foundation Governors, appointed and/or holding office further to Article 51:
- (c) Not used:
- (d) Any staff Governor, if appointed under article 50A:
- (e) A minimum of two parent Governors appointed under Articles 53-58:
- (f) The Headteacher.

The Academy Trust may also have any co-opted Governors appointed under Articles 59.

The First Governors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

## **Old Dalby Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Articles or part thereof shall not apply.

The members may appoint up to 5 Governors

The members may appoint 2 staff Governors through such process as they may determine, provided that the total number of Governors (including the Head teacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The Incumbent(s) shall be treated for all purposes as ex officio Foundation Governors. Further, the Foundation Members may appoint additional Foundation Governor(s) provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not thereby exceed 25% of the total number of Governors (excluding any Additional or Further Governors).

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

**Co-opted Governors**

The Governors may appoint up to 2 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trusts would exceed one third of the total number of Governors (including the Headteacher) and any co-options that would breach the 25% / 75% balance must be followed by one or more appointments under Article 51 to restore the correct proportions.

**Term of Office**

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher or the Incumbent(s). Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

## **Old Dalby Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

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

Remuneration of the Senior Leadership Team is governed by the Academy's pay policy and is subject to a rigorous performance management cycle involving appointed trustees.

#### ***Organisational structure***

Annual review: The Governing Body reviews the delegation of functions annually. The Governing Body will remain accountable for all decisions taken, including those relating to functions delegated to the committees or individuals.

Quoracy: Decisions may only be made if a meeting is quorate. The quorum for full Governing Body meetings of one third (rounded up to a whole number) of the total number of Governors holding office at the date of the meeting. The minimum quorum for a committee is 3 Governors but the full Governing Body may set this at a higher level if it wishes.

Reporting back to the full Governing Body: All decisions are taken on behalf of the full Governing Body. The Governing Body receives reports/minutes from any individual or committee to whom decisions have been delegated and considers whether any further action is necessary.

#### ***Risk management***

The Trustees' have examined the major risks facing the Academy, and the controls in place, in the risk register.

A risk register has been produced which tables all the anticipated risks of the Academy, groups them under four different headings and assesses them for consideration; tolerate, plan or treat, according to the risk appetite table.

The four areas of risk are as follows:

- Strategic and Reputational risks
- Operational risks
- Compliance risks
- Financial risks

These risks are regularly (at least once a year) reviewed and managed.

#### ***Connected organisations, including related party relationships***

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Old Dalby Church of England Primary School is a single Academy and works in partnership with other local schools.

## **Old Dalby Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

The Academy Trust's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum (the 'ACADEMY') conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice of the Diocesan Board of Education.

##### ***Objectives, strategies and activities***

The following approved priorities have been acted upon:

- Development of a new curriculum and 2 year rolling programme
- Evaluation of implementation and impact of new curriculum
- Working with targeted families to support and improve attendance
- Develop governance through new members and further training
- Maintaining academic attainment in all phases to be at least in line with national averages
- Promote the importance of character education in all phases

##### ***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.

# Old Dalby Church of England Primary School

## Trustees' Report for the Year Ended 31 August 2020 (continued)

### Strategic Report

#### Achievements and performance

The achievements of the pupils at Old Dalby C of E Primary School for the academic year 2019/20 is summarised below. The data used was collected in March 2020. There is normally a noticeable shift in data during the summer term, school expected all of the percentages below to increase during the summer term..

The EYFS data showed:

- . 68% of children were on track to meet GLD

The KS1 data showed:

- . 78% of children were on track to meet at least the expected standard in reading, 53% were on track to meet at least the expected standard in writing, 65% were on track to meet at least the expected standard in maths.

The KS2 data showed:

- . 79% of children were on track to at least meet the expected standard in reading, writing and grammar. 72% were on track to meet at least the expected standard in maths.

- . Early predications were for 93% age expected or better in all subjects.

Teaching staff to pupil ration is 1:21 at cost of £2911.81 per child.

Ancillary staff (excluding office staff) to pupil ration is 1:18 at a cost of £692.91 per child

#### *Key non-financial performance indicators*

Teaching staff to pupil ratio is 1:21 at a cost of £2,911.81 per child.

Ancillary staff (excluding office staff) to pupil ratio is 1:18 at a cost of £692.91 per child.

#### *Going concern*

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

#### **Financial review**

Old Dalby C of E Primary School Academy's annual income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of a General Annual Grant (GAG). The use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the statement of financial activities for the year ended August 2020.

Old Dalby C of E Primary School has a positive carry forward, which it will deploy to further improve the school environment and resources, as well as continue current staffing levels, for the benefit of its pupils.

The ESFA's latest Academy Financial Handbook was adopted by Trustees' at the meeting in September 2020. This document sets out key financial responsibilities. All expenditure of the Academy Trust is made in line with this policy which supports the provision of Education of all pupils on roll.

# Old Dalby Church of England Primary School

## Trustees' Report for the Year Ended 31 August 2020 (continued)

### Strategic Report

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

The Academy has a Financial Procedures Policy and Scheme of Financial Delegation both of which have been adopted by the Trustees'. Resources are used to maintain efficient staffing levels, ensure the continuing effectiveness of the organisation and good state of repair of the site and building.

#### Principal Risks and Uncertainties

The Academy has a Financial Risk Register in place which has been adopted by the Trustees' and will be updated as necessary.

The Academy Trust has undertaken a financial risk assessment based on potential key risks identified as:

- Overall financial control risk – Budget risk and Reconciliation risk
- Financial systems risk – Systems suitability risk, Maintenance risk, Disaster risk and Access risk
- Income risk – Completeness risk, Restricted income risk, Sponsorship risk, Cut off risk and Fraud risk
- Expenditure risk, Authorisation risk, Allocation risk, Price risk, Cut off risk and Fraud risk
- Treasury risk – Cash flow risk, Capital construction risk, Asset recognition risk, and Fraud risk
- Investment risk – Return risk
- Stock risk – Fraud risk
- Debtors risk – Recoverability risk, Completeness risk, Cut off risk and Cash flow risk
- Taxation risk – Non-Charitable trading risk, Change in legislation risk and Contractual commitments risk
- Related party risk – Identification risk and Disclosure risk
- Fraud risk – Level of fund and Endowment risk
- Pension risk – Funding risk and Contribution risk

#### *Reserves policy*

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

Demands on the Academy's reserves are expected to vary over the coming years and therefore the suggested level of reserves should be one month's expenditure, currently estimated at approximately £50,000. This is to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to enable emergency repairs and maintenance. Trustees' will continue to regularly monitor and discuss the reserve level at each Personal and Finance committee meeting (at least once per term).

The level of unrestricted reserves at 31 August 2020 was £87,346 (2019: £114,762).

The level of restricted funds at 31 August 2020, excluding the restricted fixed asset fund and the pension reserve, amounted to £nil (2019: £nil).

#### *Investment policy*

At this time there is no investment policy and no investments were made during the period 1 September 2019 to 31 August 2020.

#### **Funds held as Custodian Trustee on behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

## **Old Dalby Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

#### **Strategic Report**

##### *Plans for future periods*

The classrooms have been redecorated and we're in the process of gathering quotes for the refitting of the school office. We have quotes for improving the lighting throughout the building, upgrading to more energy efficient LEDs throughout classrooms and offices.

The expansion to seven classrooms is a very real possibility in the next few years, so we are mindful of the lag in funding which we will need to cover. The local authority is aware of the timescales for developments in catchment and are planning for this appropriately.

##### **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 Board of Trustees on 9 December 2020 and signed on its behalf by:

.....  
Miss C Todd (Chair)  
Governor and trustee

# Old Dalby Church of England Primary School

## Governance Statement

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Old Dalby Church of England 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 Board of Trustees has delegated the day-to-day responsibility to Mrs R Browne, 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 Old Dalby Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Miss C Todd (Chair) (appointed 27 September 2019)	4	4
Mr M Wright	4	4
Mr P Hutchinson	3	4
Mrs R Holland	3	4
Mrs R Browne	4	4
Mrs T S Fowkes	3	4
Mrs J Scott	4	4
Mrs E Hickton (appointed 28 February 2020)	1	2
Mrs S Oldfield (appointed 29 January 2020)	1	2

## Old Dalby Church of England Primary School

### Governance Statement (continued)

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Miss C Todd (Chair)	3	3
Mrs R Browne	3	3
Mr P Hutchinson	3	3

#### Review of value for money

As accounting officer of Old Dalby Church of England Primary School I accept that I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for taxpayer resources received.

The academy trust's use of its resources has provided good value for money during the academic year and is detailed below:

- A high proportion of the school's financial resources are still spent on staffing. The continued good outcomes of the children reflect the impact of the high quality teaching and support staff on the pupils.  
To achieve and maintain good progress in all areas of the school, for all groups of children, school provides targeted, rapid interventions run by trained support staff, in addition to quality first teaching. These offer opportunities to both catch up and further challenge students in curriculum subjects but also offer support for personal and social issues including behaviour and self-confidence. These are provided through school funds, in particular pupil premium and service premium. We also use the pupil premium and service grant to enrich the curriculum including providing music lessons, the Life Education Bus, the DARE programme and contribute towards trips. As a school we regularly evaluate and review the school environment itself and look for opportunities to develop it further. The school also supports continuing professional development opportunities for all staff to further develop the knowledge base in school and to maintain pupil progress.
- In order to identify significant differences in spending, the school annually reviews benchmarking information to allow comparison between our financial expenditure and that of similar schools. We also benchmark statistical data from a number of sources to identify key areas for improvement.  
The school maintains and adheres to a robust finance policy and financial procedures to ensure that all purchases are appropriate and authorised appropriately. Large expenditures are reviewed and authorised by the governing body prior to purchase. A minimum of three quotes are obtained for items with a value greater than £5000, this is followed by a judgement being made taking into consideration the best value for school. The management receives regular budget reports, forecasts and reviews of income and expenditure including explanations of variations.
- We will continue to target funding, including Pupil Premium and Service Premium, towards quality teaching, support in class and for group and one to one work. We will also continue to look for ways to develop our whole school environment , including classrooms, communal areas and outside spaces to provide the best possible facilities for all pupils and staff.
- As part of different collaborations of schools working in partnership, we shall continue to share resources and best practice as well as exploring new ideas to reduce administration and procurement costs.

# Old Dalby Church of England Primary School

## Governance Statement (continued)

### **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 Old Dalby Church of England Primary School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Cathy Tunstall MCIIA (retired) 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. In particular the checks carried out in the current period included:

- . review of risk management strategy
- . review of the Finance Policy
- . review of segregation of duties
- . review of the BACS, debit card and cheques payments
- . review of income and receipts
- . review of the petty cash system

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

The last internal audit visit was in March 2020. Various recommendations were made with respect to the Academy's controls and procedures. The Academy has addressed the points raised.

## Old Dalby Church of England Primary School

### Governance Statement (continued)

#### Review of effectiveness

As Accounting Officer, Mrs R Browne 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 finance committee;
- the work of the external auditor;
- the financial management and governance self assessment process;
- 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 Board of Trustees on 9 December 2020 and signed on its behalf by:

.....  
Miss C Todd (Chair)  
Governor and trustee

.....  
Mrs R Browne  
Accounting officer  
Governor and trustee

## **Old Dalby Church of England Primary School**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Old Dalby Church of England Primary School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 2019.

I confirm that I and the academy trust Board of Trustees 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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

.....  
Mrs R Browne  
Accounting officer

9 December 2020

## Old Dalby Church of England 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 2019 to 2020;
- 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 9 December 2020 and signed on its behalf by:

.....  
Miss C Todd (Chair)  
Governor and trustee

## **Old Dalby Church of England Primary School**

### **Independent Auditor's Report on the Financial Statements to the Members of Old Dalby Church of England Primary School**

#### **Opinion**

We have audited the financial statements of Old Dalby Church of England Primary School (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2020 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 2019 to 2020.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

## **Old Dalby Church of England Primary School**

### **Independent Auditor's Report on the Financial Statements to the Members of Old Dalby Church of England Primary School (continued)**

We have nothing to report in this regard.

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

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

- the information given in the 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 15], 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Old Dalby Church of England Primary School

### Independent Auditor's Report on the Financial Statements to the Members of Old Dalby Church of England Primary School (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

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

#### 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, Statutory Auditor

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

8 January 2020

## **Old Dalby Church of England Primary School**

### **Independent Reporting Accountant's Report on Regularity to Old Dalby Church of England Primary School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 16 November 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Old Dalby Church of England Primary School during the period 1 September 2019 to 31 August 2020 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 Old Dalby Church of England 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 Old Dalby Church of England 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 Old Dalby Church of England Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Old Dalby Church of England Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Old Dalby Church of England Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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.

#### **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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Old Dalby Church of England Primary School**

**Independent Reporting Accountant's Report on Regularity to Old Dalby Church of England Primary School and the Education and Skills Funding Agency (continued)**

.....  
Richard Buckby FCA  
For and on behalf of Fortus Audit LLP, Chartered Accountants

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

8 January 2020

## Old Dalby Church of England 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 £
<b>Income and endowments from:</b>					
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	2	-	649,056	5,418	654,474
Other trading activities	3	34,867	-	-	34,867
Total		<u>34,867</u>	<u>649,056</u>	<u>5,418</u>	<u>689,341</u>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	5	-	743,339	20,868	764,207
Total		<u>-</u>	<u>743,339</u>	<u>20,868</u>	<u>764,207</u>
Net income/(expenditure)		34,867	(94,283)	(15,450)	(74,866)
Transfers between funds		(62,283)	62,283	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	18	-	(72,000)	-	(72,000)
Net movement in deficit		(27,416)	(104,000)	(15,450)	(146,866)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		<u>114,762</u>	<u>(208,000)</u>	<u>84,097</u>	<u>(9,141)</u>
Total funds/(deficit) carried forward at 31 August 2020		<u><u>87,346</u></u>	<u><u>(312,000)</u></u>	<u><u>68,647</u></u>	<u><u>(156,007)</u></u>

## Old Dalby Church of England Primary School

### Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £
<b>Income and endowments from:</b>					
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	2	-	626,241	12,367	638,608
Other trading activities	3	63,917	-	-	63,917
<b>Total</b>		<u>63,917</u>	<u>626,241</u>	<u>12,367</u>	<u>702,525</u>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	5	-	706,446	657,969	1,364,415
<b>Total</b>		<u>-</u>	<u>706,446</u>	<u>657,969</u>	<u>1,364,415</u>
Net income/(expenditure)		63,917	(80,205)	(645,602)	(661,890)
Transfers between funds		(49,590)	57,205	(7,615)	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	18	-	(57,000)	-	(57,000)
Net movement in funds/(deficit)		14,327	(80,000)	(653,217)	(718,890)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		<u>100,435</u>	<u>(128,000)</u>	<u>737,314</u>	<u>709,749</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>114,762</u>	<u>(208,000)</u>	<u>84,097</u>	<u>(9,141)</u>

## Old Dalby Church of England Primary School

**(Registration number: 08564471)**  
**Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	<u>67,758</u>	<u>84,097</u>
<b>Current assets</b>			
Debtors	10	9,863	14,429
Cash at bank and in hand		<u>120,700</u>	<u>125,111</u>
		130,563	139,540
Creditors: Amounts falling due within one year	11	<u>(42,328)</u>	<u>(24,778)</u>
Net current assets		<u>88,235</u>	<u>114,762</u>
Total assets less current liabilities		<u>155,993</u>	<u>198,859</u>
Net assets excluding pension liability		155,993	198,859
Pension scheme liability	18	<u>(312,000)</u>	<u>(208,000)</u>
Net liabilities including pension liability		<u><u>(156,007)</u></u>	<u><u>(9,141)</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund		68,647	84,097
Restricted pension fund		<u>(312,000)</u>	<u>(208,000)</u>
		(243,353)	(123,903)
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>87,346</u>	<u>114,762</u>
Total funds		<u><u>(156,007)</u></u>	<u><u>(9,141)</u></u>

The financial statements on pages 21 to 42 were approved by the Trustees, and authorised for issue on 9 December 2020 and signed on their behalf by:

.....  
Miss C Todd (Chair)  
Governor and trustee

.....  
Mrs R Browne  
Governor and trustee

**Old Dalby Church of England Primary School**

**Statement of Cash Flows for the Year Ended 31 August 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	15	118	(624,803)
Cash flows from investing activities		<u>(4,529)</u>	<u>626,327</u>
Change in cash and cash equivalents in the year		(4,411)	1,524
Cash and cash equivalents at 1 September		<u>125,111</u>	<u>123,587</u>
Cash and cash equivalents at 31 August	16	<u><u>120,700</u></u>	<u><u>125,111</u></u>

# Old Dalby Church of England Primary School

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 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 2019 to 2020 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.

#### **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.

#### **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.

#### **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.

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### *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.

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

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### **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.

##### *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.

# Old Dalby Church of England Primary School

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Old Dalby Church of England Primary School (the Academy Trust Company) occupies land (including buildings) which are owned by the Incumbent and Churchwardens of the Parish of Old Dalby, Leicestershire (the Trustees). The Trustees are the providers of the land and buildings to the Academy on the same basis as when the Academy was a maintained school. The Academy Trust company occupies the land and buildings under an ongoing licence, terminable with two years notice.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold buildings	over 50 years, straight line basis
Long leasehold improvements	over 3 - 12 years, straight line basis
Furniture and equipment	over 3 years, straight line basis
Computer equipment	over 3 years, straight line basis

#### 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.

# Old Dalby Church of England Primary School

## Notes to the Financial Statements for the Year Ended 31 August 2020 (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.

#### **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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### 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.

#### 2 Funding for the Academy Trust's educational operations

	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
<b>DfE/ESFA capital grants</b>				
Devolved capital grant	-	5,418	5,418	12,367
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	532,512	-	532,512	534,991
UIFSM	20,321	-	20,321	19,665
PE sport grant	17,100	-	17,100	17,473
	<u>569,933</u>	<u>-</u>	<u>569,933</u>	<u>572,129</u>
<b>Other government grants</b>				
SEN funding from local authority	23,695	-	23,695	20,953
Pupil premium	25,711	-	25,711	26,035
Other grants	26,948	-	26,948	5,037
	<u>76,354</u>	<u>-</u>	<u>76,354</u>	<u>52,025</u>
<b>Non-government grants and other income</b>				
Other income	2,769	-	2,769	2,087
Total grants	<u>649,056</u>	<u>5,418</u>	<u>654,474</u>	<u>638,608</u>

The funding for educational operations was £654,474 (2019: £638,608) of which £Nil was unrestricted (2019: £Nil), £649,056 restricted (2019: £626,241) and £5,418 restricted fixed assets (2019: £12,367).

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 3 Other trading activities

	Unrestricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	-	-	25
Catering income	4,568	4,568	9,296
Other income	30,299	30,299	54,596
	34,867	34,867	63,917

The income from other trading activities was £34,867 (2019: £63,917) of which £34,867 was unrestricted (2019: £63,917, £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

#### 4 Expenditure

##### Non Pay Expenditure

	Staff costs £	Premises £	Other costs £	2019/20 Total £	2018/19 Total £
<b>Academy's educational operations</b>					
Direct costs	495,458	20,868	26,709	543,035	508,402
Allocated support costs	98,586	40,049	82,537	221,172	856,013
	594,044	60,917	109,246	764,207	1,364,415

#### Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Fees payable to auditor - audit	5,500	5,400
- other audit services	2,375	1,500
Depreciation	20,868	21,517

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 5 Charitable activities

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Direct costs - educational operations	543,035	508,402
Support costs - educational operations	221,172	856,013
	764,207	1,364,415

	<b>Educational operations</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>			
Support staff costs	98,586	98,586	90,209
Depreciation	-	-	636,452
Premises costs	40,049	40,049	42,201
Other support costs	74,662	74,662	80,251
Governance costs	7,875	7,875	6,900
Total support costs	221,172	221,172	856,013

#### 6 Staff

##### Staff costs

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	433,006	413,609
Social security costs	29,056	27,769
Pension costs	122,493	79,512
	584,555	520,890
Supply teacher costs	9,489	14,102
	594,044	534,992

There were no employees whose emoluments were in excess of £60,000 during the year.

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 6 Staff (continued)

##### Staff numbers

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

	2019/20 No	2018/19 No
<b>Charitable Activities</b>		
Teachers	7	6
Administration and support	19	18
Management	3	3
	<u>29</u>	<u>27</u>

The key management personnel of the Academy Trust comprise the trustees and the senior leadership 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 £162,107 (2019: £157,770).

#### 7 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:

Mrs R Browne (Head teacher):

Remuneration: £55,000 - £60,000 (2019 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

Mrs T S Fowkes (Staff trustee):

Remuneration: £10,000 - £15,000 (2019 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2019 - £0 - £5,000)

Mrs J Scott (Deputy Head teacher):

Remuneration: £30,000 - £35,000 (2019 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 19.

#### 8 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 2020 was £106 (2019 - £106).

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

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 9 Tangible fixed assets

	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2019	90,589	1,393	36,203	128,185
Additions	-	2,079	2,450	4,529
At 31 August 2020	<u>90,589</u>	<u>3,472</u>	<u>38,653</u>	<u>132,714</u>
<b>Depreciation</b>				
At 1 September 2019	16,780	1,145	26,163	44,088
Charge for the year	12,528	809	7,531	20,868
At 31 August 2020	<u>29,308</u>	<u>1,954</u>	<u>33,694</u>	<u>64,956</u>
<b>Net book value</b>				
At 31 August 2020	<u>61,281</u>	<u>1,518</u>	<u>4,959</u>	<u>67,758</u>
At 31 August 2019	<u>73,809</u>	<u>248</u>	<u>10,040</u>	<u>84,097</u>

#### 10 Debtors

	2020 £	2019 £
Trade debtors	169	708
VAT recoverable	1,915	2,054
Prepayments and accrued income	<u>7,779</u>	<u>11,667</u>
	<u>9,863</u>	<u>14,429</u>

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	2020 £	2019 £
Other taxation and social security	19,271	6,099
Accruals	9,653	7,207
Deferred income	13,404	11,472
	<u>42,328</u>	<u>24,778</u>
	<b>2020</b> £	<b>2019</b> £
<b>Deferred income</b>		
Deferred income at 1 September 2019	11,472	12,808
Resources deferred in the period	13,404	11,472
Amounts released from previous periods	<u>(11,472)</u>	<u>(12,808)</u>
Deferred income at 31 August 2020	<u>13,404</u>	<u>11,472</u>

Deferred income includes £12,060 (2019 - £11,472) relating to Universal Infant Free School Meals funding received in advance of the 2020/21 academic year.

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 12 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	569,932	(632,215)	62,283	-
Other DfE/ESFA grants	-	76,355	(76,355)	-	-
Non-government grants and other income	-	2,769	(2,769)	-	-
	<u>-</u>	<u>649,056</u>	<u>(711,339)</u>	<u>62,283</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	59,897	5,418	(20,868)	-	44,447
Assets transferred on conversion	24,200	-	-	-	24,200
	<u>84,097</u>	<u>5,418</u>	<u>(20,868)</u>	<u>-</u>	<u>68,647</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(208,000)</u>	<u>-</u>	<u>(32,000)</u>	<u>(72,000)</u>	<u>(312,000)</u>
Total restricted funds	(123,903)	654,474	(764,207)	(9,717)	(243,353)
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>114,762</u>	<u>34,867</u>	<u>-</u>	<u>(62,283)</u>	<u>87,346</u>
Total funds	<u>(9,141)</u>	<u>689,341</u>	<u>(764,207)</u>	<u>(72,000)</u>	<u>(156,007)</u>

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 12 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	572,129	(629,334)	57,205	-
Other DfE/ESFA grants	-	52,025	(52,025)	-	-
Non-government grants and other income	-	2,087	(2,087)	-	-
	<u>-</u>	<u>626,241</u>	<u>(683,446)</u>	<u>57,205</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	76,662	12,367	(21,517)	(7,615)	59,897
Assets transferred on conversion	660,652	-	(636,452)	-	24,200
	737,314	12,367	(657,969)	(7,615)	84,097
<b>Restricted pension funds</b>					
Pension reserve	(128,000)	-	(23,000)	(57,000)	(208,000)
Total restricted funds	609,314	638,608	(1,364,415)	(7,410)	(123,903)
<b>Unrestricted funds</b>					
Unrestricted general funds	100,435	63,917	-	(49,590)	114,762
Total funds	<u>709,749</u>	<u>702,525</u>	<u>(1,364,415)</u>	<u>(57,000)</u>	<u>(9,141)</u>

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 12 Funds (continued)

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

##### Restricted general funds

General Annual Grant (GAG), other DfE/ESFA grants and local authority grants are to be applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters. This includes the pension reserve, which represents the potential liability due by the Academy Trust at the year end.

##### Restricted fixed asset funds

The restricted fixed asset funds relate to the assets acquired on conversion to an Academy Trust, being the property and fixed assets purchased using grants.

##### Unrestricted funds

Unrestricted funds represent other incoming resources to the Academy Trust applied for the general purposes of the Trust at the discretion of the Trustees.

#### 13 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	68,647	68,647
Current assets	87,346	-	-	87,346
Pension scheme liability	-	(312,000)	-	(312,000)
Total net assets	<u>87,346</u>	<u>(312,000)</u>	<u>68,647</u>	<u>(156,007)</u>

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	-	-	84,097	84,097
Current assets	114,762	24,778	-	139,540
Current liabilities	-	(24,778)	-	(24,778)
Pension scheme liability	-	(208,000)	-	(208,000)
Total net assets	<u>114,762</u>	<u>(208,000)</u>	<u>84,097</u>	<u>(9,141)</u>

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 14 Commitments under operating leases

##### *Operating leases*

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	463	463
Amounts due between one and five years	-	463
	<u>463</u>	<u>926</u>

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

	2019/20 £	2018/19 £
Net expenditure	(74,866)	(661,890)
Depreciation	20,868	21,517
Defined benefit pension scheme obligation inherited	28,000	19,000
Defined benefit pension scheme cost less contributions payable	(5,000)	(7,000)
Defined benefit pension scheme finance cost	9,000	11,000
Decrease in debtors	4,566	1,185
Increase/(decrease) in creditors	17,550	(8,615)
Net cash provided by/(used in) Operating Activities	<u>118</u>	<u>(624,803)</u>

#### 16 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>120,700</u>	<u>125,111</u>
Total cash and cash equivalents	<u>120,700</u>	<u>125,111</u>

#### 17 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.

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 18 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.

#### 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% employer administration charge)
- 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 £67,433 (2019: £42,622).

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.

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 18 Pension and similar obligations (continued)

##### 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 2020 was £34,000 (2019 - £25,000), of which employer's contributions totalled £26,000 (2019 - £20,000) and employees' contributions totalled £6,000 (2019 - £5,000). The agreed contribution rates for future years are 25.3 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.

##### Principal actuarial assumptions

	<b>2020</b>	<b>2019</b>
	%	%
Rate of increase in salaries	2.80	3.30
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	2.30	2.30
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 18 Pension and similar obligations (continued)

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

	2020	2019
<b>Retiring today</b>		
Males retiring today	21.50	21.10
Females retiring today	23.80	22.20
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.20	23.40
Females retiring in 20 years	<u>25.20</u>	<u>24.70</u>

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

	2020	2019
	£	£
Equities	176,000	167,000
Government bonds	86,000	89,000
Property	24,000	23,000
Cash and other liquid assets	<u>12,000</u>	<u>9,000</u>
Total market value of assets	<u>298,000</u>	<u>288,000</u>

The actual return on scheme assets was (£16,000) (2019 - £17,000).

## Old Dalby Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 18 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost	56,000	32,000
Past service cost	5,000	7,000
Interest income	(10,000)	(7,000)
Interest cost	9,000	11,000
	<u>60,000</u>	<u>43,000</u>
Total amount recognised in the SOFA	<u>60,000</u>	<u>43,000</u>

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

	2019/20 £	2018/19 £
At start of period	496,000	379,000
Current service cost	56,000	32,000
Interest cost	9,000	11,000
Employee contributions	6,000	5,000
Actuarial (gain)/loss	51,000	67,000
Benefits paid	(8,000)	(5,000)
Past service cost	-	7,000
	<u>610,000</u>	<u>496,000</u>
At 31 August	<u>610,000</u>	<u>496,000</u>

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

	2019/20 £	2018/19 £
At start of period	288,000	251,000
Interest income	5,000	7,000
Actuarial gain/(loss)	(21,000)	10,000
Employer contributions	28,000	20,000
Employee contributions	6,000	5,000
Benefits paid	(8,000)	(5,000)
	<u>298,000</u>	<u>288,000</u>
At 31 August	<u>298,000</u>	<u>288,000</u>

#### 19 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. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 7.