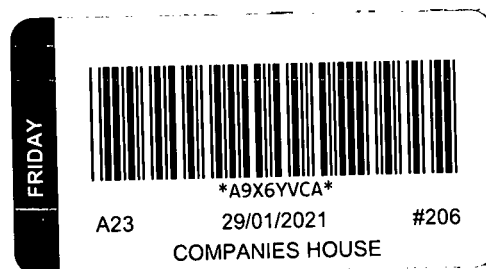


**Cobham Free School Trust**

**Annual Report and Financial  
Statements**

31 August 2020

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



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## Reference and administrative information

<b>Members</b>	Mr H Morris (Chair of Governors) Mr I Clifford (appointed 21 November 2019) Mr S Heard (appointed 20 August 2020) Mr R Khatib Mrs J Poppe Ms J Rangasamy Mr R Sturges (appointed 20 August 2020)
<b>The Governing Body</b>	Mr H Morris* (Chair of Governors) Mr C Andrews Mrs C Beddison Mr N Cogswell Mrs H Hutton-Attenborough Mrs M Khatib* Mr R Khatib* Mrs T Lightbody Mr R Parsons* Ms J Rangasamy* Ms A Saunders Mr I Smith Mr R Staegemann Mr M Unwin  *Members of the Finance and General Purpose Committee
<b>Company Secretary</b>	Mr R Khatib
<b>Clerk to the Governors</b>	Jackie Dutton (Strictly Education 4S)
<b>Senior Leadership Team</b>	
Executive Head	Mrs M Khatib (Accounting Officer)
Junior Head	Mrs G Rolfe
Joint Senior Heads	Ms A Urso / Mrs L Newman
Head of Sixth Form	Mrs H Johnson
Business Manager	Mrs C Marcus
<b>Registered address</b>	Cobham Free School Portsmouth Road Cobham Surrey KT11 1TF
<b>Company registration number</b>	07643477

## Reference and administrative information

<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank 147 High Street Guildford Surrey GU1 3AG
<b>Solicitors</b>	Bates Wells London LLP 10 Queen Street Place London EC4R 1BE

## **Governors' report** Year to 31 August 2020

The Governors of Cobham Free School Trust ('the School') present their annual report together with the financial statements and the auditor's report of the charitable company for the year to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

#### **Constitution**

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

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

The charitable company is known as Cobham Free School.

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

#### **Members' liability**

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one period after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

#### **Governors' indemnities**

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

#### **Principal activities**

The principal activity of the School during the year ended 31 August 2020 was the operation of an all-through school, offering a broad and balanced curriculum.

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

**Governors**

The Governors are directors of the charitable company for the purposes of the Companies Act 2006. The following Governors were in office at 31 August 2020 and served throughout the year except where shown.

<b>Trustee</b>	<b>Appointed/ Resigned</b>
Mr H Morris (Chair of Governors)	
Mr C Andrews	Appointed 11 July 2020
Mrs C Beddison	
Mrs H Hutton-Attenborough	Appointed 25 August 2020
Mrs M Khatib (Executive Headteacher and Accounting Officer)	
Mr R Khatib	
Mrs T Lightbody	
Mr M McCarthy (Parent Governor)	Resigned 22 January 2020
Mr R Parsons (Responsible Officer)	
Ms J Rangasamy	
Mrs G Rolfe (Staff Governor)	Resigned 22 January 2020
Ms A Saunders	Appointed 2 April 2020
Mr P Shah	Resigned 12 June 2020
Mr I Smith	
Mr M Unwin	
Mr P Wood (Parent Governor)	Resigned 9 May 2020

Two new parent governors were appointed post year end, Mr N Cogswell and Mr R Staegemann.

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

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

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

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

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

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

### **Method of recruitment and appointment or election of Governors** (continued)

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

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

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

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

### **Organisational structure**

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

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

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

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

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

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

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

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

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

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

### **Trade union facility time**

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

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

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

## **OBJECTS AND AIMS**

### **Vision**

The vision for the School can be summarised as follows:

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



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

### **Ethos**

The ethos for the School has the following key elements:

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

### **Aims**

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

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

## **STRATEGIC REPORT**

### **Achievements and performance**

#### **Objectives**

The main objective for the year ended 31 August 2020 was:

To continue to expand the school upwards in line with the Trust's vision for an all-through establishment. This included opening the provision of a sixth form at the permanent site in September 2019 and progressing conversion works to enable the relocation of the senior department to the new building in September 2020.

From March 2020 a new objective was introduced:

To devise and implement robust arrangements for the continuation of education during lockdown.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Public benefit***

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

***Review of activities***

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

- ◆ An improvement in GCSE outcomes compared with the previous year and a wider range of courses. (Due to the cancellation of examinations during the national lockdown, GCSEs were centre-assessed using a robust approach). For example:
  - ◇ 85% of pupils achieved standard passes (grades 9-4) in both English and Maths (compared with 78% in Summer 2019)
  - ◇ 76% of CFS students were entered for the English Baccalaureate (Ebacc) and notably achieved an average point score of 5.35 compared with 4.94 in the previous year (the average for England was 4.07 in Summer 2019).
  - ◇ The attainment 8 outcome for CFS also showed a significant increase with a score of 56.18 compared with 50.78 in 2019 (the attainment 8 score for England in 2019 was 46.7).
  - ◇ 80% of pupils achieved 5 standard passes, including passes in English and Maths (compared with 70% in Summer 2019).
  - ◇ Results in the performing arts subjects, a key part of the school vision, were particularly strong. 100% of students achieved at least a grade 5 in Music, with 57% achieving at least a grade 7. 100% achieved a standard pass Drama, with 50% achieving a grade 6 or above.
  - ◇ Students undertook Food Preparation and Nutrition GCSE for the first time with 100% achieving a standard pass.
- ◆ A new course in Classical Civilisation was introduced in Key Stage four to prepare students for GCSE exams in the subject.
- ◆ The new sixth form provision opened successfully in two converted wings of the permanent building, with staffing in place and a wide A-Level curriculum offer.
- ◆ During the national lockdown, the school was able to continue providing a quality educational offer using its remote learning platform. School computers were issued to disadvantaged families where necessary to enable all pupils to access the remote learning. The junior school building remained open to educate vulnerable and key workers' children onsite.

## **STRATEGIC REPORT (continued)**

### **Achievements and performance (continued)**

#### ***Review of activities (continued)***

- ◆ Pupils across the school enjoyed a wide variety of enrichment activities. These included:
  - ◇ Students participated in the Duke of Edinburgh programme, with 21 students passing the Bronze level and 8 students achieving Silver awards.
  - ◇ Until the Covid-19 lockdown pupils participated in a full extra-curricular activity programme, including sports and music clubs, debating, We-Act (community service) and Ancient Greek.
  - ◇ In the first two terms of the year students attended a large number of trips, including residential weeks and cultural visits to museums, art galleries and concerts. The sixth form students experienced a full programme of talks by visiting speakers.

Music continued to be central to the vision for the School. All pupils in Year 7 were given the opportunity to access small group instrumental lessons free of charge and those in Years 8 and 9 received subsidised tuition. In the first two terms of the year a concert band was established, in addition to the senior orchestra, string ensembles, jazz band, a number of choirs and three rock groups. Senior pupils also experienced performances at various concert hall venues. In the summer term, while the school remained closed to the majority of pupils, children were able to continue class music and instrumental lessons using remote platforms, and participate in regular live-streamed concerts.

A partnership was progressed with the Cobham Rugby and Sports Association to further access to excellent sports provision at the School. This included timetabled lessons for senior pupils at the new artificial grass pitch adjacent to the permanent site and the use of tennis courts. In the Junior Department pupils showed a particular strength in football and were in the leading position in the Year 6 Football League. The PE department set weekly challenges throughout the period of remote learning to help pupils retain their fitness levels and virtual sports days were held across the School.

The careers programme continued to expand. The School provided careers interview practice (undertaken remotely during lockdown), and organised a number of workshops and presentations for students to attend. These included a CV workshop given by the National Citizenship Service and a talk by a member from the ASK apprenticeship programme.

#### ***Admissions – to do***

A new admissions policy was determined by Governors following statutory consultation, to prepare for the expansion of the school to move towards a 4 form entry senior/sixth form and 2 form entry junior school in the normal admissions round for September 2021.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Admissions – to do (continued)***

The opportunity to move to the permanent site in September 2020, a year ahead of published time scales, enabled the offer of spaces above the published admissions number, including an additional 56 places in Year 7 and extra 6 places in Years 8 to 10.

Junior school admissions for places into the reception class in September 2020 were 5 times oversubscribed. Senior admissions for Year 7 were 10 times oversubscribed at the point of application (6 times oversubscribed once the PAN had been increased to 80).

The sixth form attracted applications from both internal and external candidates for the September 2020 intake, with admissions on the first day of the Autumn Term being more than double the previous year.

***Staffing***

The staffing structure was expanded to meet the needs of the growing school using an integrated curriculum planning approach to ensure efficiencies. Some interviews for posts were held during the lockdown using remote meetings. New roles included staff appointed to deliver A level courses in the sixth form, including psychology, philosophy, economics and photography.

The acting joint heads of senior were formally appointed to oversee operations in Years 7 to 11. The Head of Sixth Form had a successful first year in the role.

Staff had opportunities for professional development during the year, with training provided on inset days, through individual programmes and via twilight sessions. Training included sessions on a wide range of topics, including mental health, safeguarding, first aid, health and safety, curriculum development and Covid-19 risk assessments.

The School's Director of Music led music network subject meetings for music teachers in schools across Surrey during lockdown. These were sessions to provide support for professionals in delivering music education during the Covid-19 pandemic, including remote learning strategies.

In the senior/sixth form departments two members of staff undertook and successfully completed their NQT years. Following a student teacher placement in the junior department, an offer of employment was made to a staff member to join the school as an NQT in September 2020

***Site***

Two existing wings of Munro House in Cobham were successfully converted into teaching spaces for the new sixth form opening in September 2019. Facilities included two science laboratories, a music room, an art room, a common room, a study area, offices and seminar rooms.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Site** (continued)

Planning approval was received in February 2020 to convert the remaining areas of the site into high quality educational facilities to provide the permanent accommodation for the school. This approval permitted the refurbishment of existing office areas into general classrooms and specialist teaching spaces and the construction of two new build wings for sports and music.

Despite the national lockdown and closure of the school in March 2020, contractors managed to undertake construction works to enable senior pupils to relocate from their temporary accommodation in West Molesey to the refurbished internal areas of the building in time for September 2020. This was a year ahead of previously published timescales.

Progress was made constructing the two new build wings which are due for completion in spring 2021. The School is in the process of changing the registered name from Munro House and this site will be referred to as the Main School.

A business case was submitted to the Department for Education and approved for the inclusion of The Lodge building into the lease for the permanent site. The site, including The Lodge, was handed over in Autumn 2020.

A new international standard artificial grass pitch was developed in partnership with Cobham Rugby Club, adjacent to the permanent site, and opened in September 2019. Until the national lockdown students from the senior department were able to access a full programme of sports at the site, being transported by coach for PE lessons.

The junior school continued to be based in the Old Police Station, Cobham. Improvements were undertaken to the external areas of the building, including paintwork and garden areas. Plans are underway to ensure the building is ready to provide an expanded infant provision in September 2021.

**Key financial performance indicators**

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

- ◆ Analysis of year to date spend against budget on a month by month basis;
- ◆ Distribution of spend against categories;
- ◆ Ratio analysis on payroll costs, operating margin and pupil teacher ratio by department;
- ◆ Benchmarking analysis carried out using the Department for Education tools;
- ◆ Monthly cash balance; and
- ◆ Level of donations to the school in the form of sponsorship and voluntary contributions.

**STRATEGIC REPORT (continued)**

**Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the 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 these financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial review**

***Financial report for the year***

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA), an agency for the DfE. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The School also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), these grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Total income for the year ended 31 August 2020 amounted to £4,716,723 (2019 £4,151,894) of which £235,675 (2019 – £26,997) related to capital grant funding received from the ESFA.

As the year ended 31 August 2020 was the eighth year of operation for the School and the sixth year of operating as an all-through school with a Senior Department, the ESFA provided start up grants to help cover the higher costs required to support education associated with the 'start up' period. The School received £48,000 of start-up grants in the period compared to £77,750 in 2019. ESFA income from the General Annual Grant (GAG) increased to £2,863,337 (2019 – £2,635,042).

The other DfE / ESFA income relates to income for special areas and government initiatives including the Universal Infant Free School Meals, income to cover premises rent (in particular the temporary site at Hurst Park and Gospel Hall), the bulge class, gift in kind leased accommodation at the Senior site, pupil premium and sports funding. This has increased to £957,596 (2019 – £848,108).

The remaining income comprises donations and sponsorship during the period from private organisations and individual donations from the parents totalling £147,315 for the year ended 31 August 2020 (2019 – £182,117). Unrestricted income was also received for school lunches, facilities hire, trips, wrap-around care, homework club and bus service of £237,140 (2019 – £379,037). Interest receivable amounted to £2,187 (2019 – £2,843).

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

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

Capital additions in the year ended 31 August 2020 totalled £235,675 (2019 – £26,997) which was fully funded by capital grants from the ESFA. Capital additions for the year mainly related to investment in ICT for the developments at Munro House. The net book value of tangible fixed assets at 31 August 2020 was £2,842,618 (2019 – £2,812,973).

The School held fund balances as at 31 August 2020 of £2,782,553 (2019 – £2,880,978) of which £2,664,986 (2019 – £2,790,091) was restricted in nature and £117,567 (2019 – £90,887) unrestricted. Of the total restricted funds, £2,842,618 (2019 – £2,812,973) has been set aside to represent the net book value of tangible fixed assets.

The School has a pension scheme liability of £829,000 (2019 – £444,000) which is also included in the restricted funds.

After excluding net income relating to the fixed asset fund of £29,645 (2019 – net expenditure of £188,011) and net expenditure in the restricted pension deficit reserve of £182,000 (2019 – £107,000), as well as the actuarial loss for the year of £203,000 (2019 – an actuarial loss of £171,000), the overall operational surplus for 2019/20 was £268,268 (2019 – a surplus of £2,897).

The results for the year are shown on page 29.

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

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

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

The School has an appointed Responsible Officer whose role is to provide independent oversight of the School's financial affairs. The Responsible Officer provides the Governing Body with independent assurance that:

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

From 1 September 2020 The Trust has entered into a Service Level Agreement with Strictly Education 4S to provide a programme of internal scrutiny.

## **STRATEGIC REPORT (continued)**

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

#### ***Financial and risk management objectives and policies (continued)***

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

#### ***Principal risks and uncertainties***

The principal risks to which the Trust is exposed are:

- ◆ Operational risks such as those relating to people, technology and cyber.
- ◆ Financial risks such as a shortfall in funding arising from a reduction in the school roll;
- ◆ Strategic and reputational risks around the move to the permanent site and the completion of the build works; and
- ◆ Health risks to staff and pupils in relation to Covid-19 as well as associated operational and financial risks.

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

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

#### ***Reserves policy***

The Governors review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The School does not anticipate building up significant reserves; any unallocated income is kept to support the development programme of the school and to mitigate against any risks associated with the project.

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



**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Reserves policy*** (continued)

The School held fund balances as at 31 August 2020 of £2,782,553 (2019 – £2,869,640) which were composed primarily of restricted fixed asset funds of £2,842,618 (2019 – £2,812,973).

Excluding the restricted fixed asset fund and pension reserve, which shows a deficit of £829,000 (2019 – a deficit of £444,000), the School's free reserve balance at 31 August 2020 is £768,953 (2019 – £500,667). This figure includes both unrestricted general funds of £117,567 (2019 – £90,887) and funds restricted to general educational purposes of £651,368 (2019 – £409,780), and is considered sufficient to meet the School's current and expected needs over the next couple of years.

***Investment policy***

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

**FUNDRAISING**

The Trust is mindful of its duties under the provisions of the Charities (Protection and Social Investment) Act 2016 in relation to fundraising practices.

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

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

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

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

The Trust has not been made aware of any complaints made in relation to its fundraising practices during 2019/20.

## **Governors' report Year to 31 August 2020**

### **FUNDRAISING (continued)**

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

### **PLANS FOR FUTURE PERIODS**

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

- ◆ Complete the programme of works at the permanent site to include two new build wings for sports and performing arts.
- ◆ Expand the new sixth form provision upwards to include a new Year 13 cohort, enter students for the School's first set of A-level examinations and provide support with their university and college applications.
- ◆ Plan and progress local partnerships to make full use of sporting and musical opportunities once Covid-19 measures are eased.
- ◆ Continue to ensure the 'one school' vision is delivered, through aligning systems and policies across the departments.
- ◆ Undertake the admissions rounds to expand pupil numbers in all parts of the school in September 2021, moving the junior school towards a two form entry department and the senior/sixth form towards 4 form entry.
- ◆ Plan the staffing structure to meet the requirements of the growing school.
- ◆ Develop the Old Police Station to be suitable for an Early Years and Key Stage 1 department. Manage the decant and relocation of the Year 3 to 6 classes into the main school (new permanent site).

### **AUDITOR**

In so far as the Governors are aware:

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

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



Howard Morris

Chair of Governors

Date: 26/01/2021

### **Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that the Cobham Free School Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors have delegated the day-to-day responsibility to the Executive Head, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the School and the Secretary of State for Education. The Executive Head is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### **Governance**

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

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

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

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr H Morris ( <i>Chair</i> )	3	3
Mrs C Beddison	3	3
Mrs M Khatib ( <i>Executive Head and Accounting Officer</i> )	3	3
Mr R Khatib	3	3
Mrs T Lightbody	2	3
Mr M McCarthy	1	1
Mr R Parsons	3	3
Ms J Rangasamy	3	3
Mrs G Rolfe	1	1
Ms A Saunders	1	1
Mr P Shah	1	2
Mr I Smith	2	3
Mr M Unwin	2	3
Mr P Wood	2	2

**Governance (continued)**

**Governance reviews**

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

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

Governor	Meetings attended	Out of a possible
Ms J Rangasamy ( <i>Chair</i> )	9	9
Mrs M Khatib ( <i>Executive Head and Accounting Officer</i> )	9	9
Mr R Khatib	8	9
Mr H Morris	7	9
Mr R Parsons	5	9

**Review of value for money**

As Accounting Officer the Executive Head has responsibility for ensuring that the School trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

During the lockdown period, due to Covid-19, the school worked closely with suppliers to reduce costs where possible while taking into account the Government guidance on school suppliers. The school utilised the Government's furlough scheme for staff where appropriate during this period.

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

- ♦ Delivering our own in-house coaching programme for CPD to ensure teaching is at least good across the whole school.
- ♦ Supporting and developing newly qualified teachers (NQTs).
- ♦ Use of integrated financial curriculum planning to optimise timetable and personnel.
- ♦ Appointing business development officer to look at new opportunities to partner with local businesses and raise sponsorship.

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

- ◆ Training our teaching assistants and learning support assistants to deliver effective group interventions to support learning across the school.

Raising achievement for all pupils through:

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

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**Risk and control framework**

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

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

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

**Review of effectiveness**

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

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

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

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

Howard Morris  
(Chair of Governors)



Approved on:

Michaela Khatib  
(Accounting Officer)



26/1/21

**Statement on regularity, propriety and compliance 31 August 2020**

As Accounting Officer of Cobham Free School Trust, I have considered my responsibility to notify the School's Board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



Michaela Khatib  
Accounting Officer

Date: 26/1/21

## Statement of Governors' responsibilities 31 August 2020

The Governors (who act as trustees of the School and are also the directors of the School for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP and the Academies Accounts Direction 2019 to 2020;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

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

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

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

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



Howard Morris  
Chair of Governors

Date: 26/01/2021



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

**Opinion**

We have audited the financial statements of Cobham Free School Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of 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 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**Conclusions relating to going concern (continued)**

- ◆ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 report of the governors and strategic report and the governance statement)**

The governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

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

**Responsibilities of governors**

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

*Buzzacott LLP*

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

28 January 2021

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

In accordance with the terms of our engagement letter dated 15 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cobham Free School Trust during the period from 1 September 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 Cobham Free School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cobham Free School Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Cobham Free School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Cobham Free School Trust's funding agreement with the Secretary of State for Education dated 14 June 2012 and the Academies Financial Handbook 2019, 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 period 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 the 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.

**Approach (continued)**

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

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

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 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.

*Buzzacott LLP*

28 January 2021

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

**Statement of financial activities (including income and expenditure account) Year to 31 August 2020**

		Unrestricted general fund £	Restricted funds		2020 Total funds £	2019 Total funds £
	Notes	£	General £	Fixed assets fund £	£	£
<b>Income from:</b>						
Donations and capital grants	1	—	147,315	235,675	<b>382,990</b>	209,114
Charitable activities						
. Funding for the School's educational operations	2	—	4,094,406	—	<b>4,094,406</b>	3,560,900
Other trading activities	3	237,140	—	—	<b>237,140</b>	379,037
Investments	4	2,187	—	—	<b>2,187</b>	2,843
<b>Total income</b>		<b>239,327</b>	<b>4,241,721</b>	<b>235,675</b>	<b>4,716,723</b>	<b>4,151,894</b>
<b>Expenditure on:</b>						
Raising funds	5	27,249	—	—	<b>27,249</b>	27,361
Charitable activities						
. School's educational operations	6	185,398	4,182,133	206,030	<b>4,573,561</b>	4,416,647
<b>Total expenditure</b>		<b>212,647</b>	<b>4,182,133</b>	<b>206,030</b>	<b>4,600,810</b>	<b>4,444,008</b>
<b>Net income (expenditure)</b>		<b>26,680</b>	<b>59,588</b>	<b>29,645</b>	<b>115,913</b>	<b>(292,114)</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension scheme	17	—	(203,000)	—	<b>(203,000)</b>	(171,000)
<b>Net movement in funds</b>		<b>26,680</b>	<b>(143,412)</b>	<b>29,645</b>	<b>(87,087)</b>	<b>(463,114)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2019		90,887	(34,220)	2,812,973	<b>2,869,640</b>	3,332,754
<b>Total fund balances carried forward at 31 August 2020</b>		<b>117,567</b>	<b>(177,632)</b>	<b>2,842,618</b>	<b>2,782,553</b>	<b>2,869,640</b>

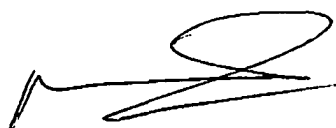
All of the School's activities derived from continuing operations during the above two financial periods.

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

**Balance sheet 31 August 2020**

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible fixed assets	11		2,842,618		2,812,973
<b>Current assets</b>					
Debtors	12	223,277		224,645	
Cash at bank and in hand		961,132		762,514	
		<u>1,184,409</u>		<u>987,159</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(415,474)		(486,492)	
<b>Net current assets</b>			<u>768,935</u>		<u>500,667</u>
<b>Total assets less current liabilities</b>			<b>3,611,553</b>		<b>3,313,640</b>
Pension scheme liability	17		(829,000)		(444,000)
<b>Total net assets</b>			<u><b>2,782,553</b></u>		<u><b>2,869,640</b></u>
<b>Funds of the School:</b>					
<b>Restricted funds</b>					
Fixed assets fund	14		2,842,618		2,812,973
General fund	14		651,368		409,780
Pension reserve	14		(829,000)		(444,000)
<b>Total restricted funds</b>			<u><b>2,664,986</b></u>		<u><b>2,778,753</b></u>
<b>Unrestricted funds</b>					
General fund	14		117,567		90,887
<b>Total funds</b>			<u><b>2,782,553</b></u>		<u><b>2,869,640</b></u>

The financial statements on page 29 to 54 were approved by the Governors, authorised for issue and are signed on their behalf by:



Howard Morris

Chair of Governors

Date: 26/01/2021

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



**Statement of cash flows** Year to 31 August 2020

		2020 £	2019 £
<b>Net cash flows from operating activities</b>			
Net cash provided by operating activities	A	196,431	23,712
<b>Cash flows from investing activities</b>	B	2,187	47,705
<b>Change in cash and cash equivalents in the year</b>		<b>198,618</b>	<b>71,417</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2019		762,514	691,097
<b>Cash and cash equivalents at 31 August 2020</b>	C	<b>961,132</b>	<b>762,514</b>

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

	2020 £	2019 £
<b>Net income (expenditure) for the year (as per the statement of financial activities)</b>	<b>115,913</b>	<b>(292,114)</b>
<b>Adjusted for:</b>		
Depreciation (note 11)	206,030	209,991
Loss on disposal of assets	—	4,613
Capital grants from DfE and other capital income (note 1)	(235,675)	(71,455)
Interest receivable (note 4)	(2,187)	(2,843)
Defined benefit pension scheme cost less contributions payable (note 17)	172,000	101,000
Defined benefit pension scheme finance cost (note 17)	10,000	6,000
Decrease (increase) in debtors	1,368	(106,535)
(Decrease) increase in creditors	(71,018)	175,055
<b>Net cash provided by operating activities</b>	<b>196,431</b>	<b>23,712</b>

**B Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	2,187	2,843
Proceeds from sale of tangible fixed assets	—	404
Additions to tangible fixed assets	(235,675)	(26,997)
Capital grants from DfE/ ESFA	235,675	71,455
<b>Net cash provided by investing activities</b>	<b>2,187</b>	<b>47,705</b>

**C Analysis of changes in net debt**

	1 September 2019 £	Cash flows £	2020 £
Cash at bank and in hand	762,514	198,618	961,132
<b>Total cash and cash equivalents</b>	<b>762,514</b>	<b>198,618</b>	<b>961,132</b>

**Statement of accounting policies**

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

**Basis of preparation**

The financial statements of the School have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

**Going concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Governors have considered the impact of the current Coronavirus pandemic on the School's operations. While they acknowledge the disruption caused by the pandemic to the School's day-to-day operations, they do not consider the pandemic to be cause for material uncertainty in respect to the School's ability to continue as a going concern. The School has and is continuing to develop contingency plans which are being implemented successfully and the Governors have therefore concluded that consider that the School has sufficient resources to continue for the foreseeable future, despite the current situation, and there are no material uncertainties about the School's ability to continue as a going concern. Thus, the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**Income (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.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

**Private sponsorship**

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

**Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

**Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the School has provided the goods or services.

**Donated goods, facilities and services**

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

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

**Expenditure (continued)**

***Raising funds***

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

***Charitable activities***

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

All expenditure is stated net of recoverable VAT.

**Tangible fixed assets**

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

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

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

♦ Freehold land & buildings	2% per annum
♦ Other building components	10% to 20% per annum
♦ Short leasehold buildings and improvements to short leasehold buildings	Over the life of the lease
♦ Furniture and equipment	10% to 20% per annum
♦ Computer equipment	20% to 33.3% per annum
♦ Motor vehicles	10% to 20% per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### **Financial instruments**

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

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

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Leased assets**

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

### **Taxation**

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

### **Pensions benefits**

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

**Pensions benefits (continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund accounting**

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

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

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

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

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and areas of judgement (continued)**

***Critical accounting estimates and assumptions***

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. This estimate also constitutes the key critical area of judgement by virtue of its significant effect on the financial statements.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

# Notes to the Financial Statements Year to 31 August 2020

## 1 Donations and capital grants

	Restricted funds £	Restricted fixed assets funds £	2020 Total funds £	2019 Total funds £
Capital grants	20,920	235,675	256,595	71,455
Private sponsorship	99,529	—	99,529	95,501
Other donations	26,866	—	26,866	42,158
	<b>147,315</b>	<b>235,675</b>	<b>382,990</b>	<b>209,114</b>

	Restricted funds £	Restricted fixed assets funds £	2019 Total funds £
Capital grants	44,458	26,997	71,455
Private sponsorship	95,501	—	95,501
Other donations	42,158	—	42,158
	<b>182,117</b>	<b>26,997</b>	<b>209,114</b>

## 2 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	—	2,863,337	2,863,337	2,635,042
Start Up Grants	—	48,000	48,000	77,750
Other DfE/ ESFA grants	—	710,648	710,648	424,718
Donated facilities	—	246,948	246,948	246,948
	—	<b>3,868,933</b>	<b>3,868,933</b>	<b>3,384,458</b>
<b>Other Government grants</b>				
Local authority grants	—	222,583	222,583	176,442
	—	<b>222,583</b>	<b>222,583</b>	<b>176,442</b>
<b>Exceptional government funding</b>				
Coronavirus job retention scheme grant	—	2,890	2,890	—
	—	<b>2,890</b>	<b>2,890</b>	<b>—</b>
Other income from the academy's educational operations	—	—	—	—
<b>2020 Total funds</b>	<b>—</b>	<b>4,094,406</b>	<b>4,094,406</b>	<b>3,560,900</b>

The school has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".



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

- ♦ The School furloughed two members of staff responsible for the provision of wrap-around care under the government's Coronavirus Job Retention Scheme. The funding received of £2,890 relates to staff costs in respect of these two staff members which are included within notes 5,6 and 8 below as appropriate.

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

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<b>DfE / ESFA grants</b>			
General Annual Grant (GAG)	—	2,635,042	2,635,042
Start Up Grants	—	77,750	77,750
Other DfE/ ESFA grants	—	424,718	424,718
Donated facilities	—	246,948	246,948
	—	3,384,458	3,384,458
<b>Other Government grants</b>			
Local authority grants	—	176,442	176,442
	—	176,442	176,442
	—	3,560,900	3,560,900

**3 Other trading activities**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Hire of facilities	14,352	—	14,352	13,634
School trips	54,223	—	54,223	123,307
Catering income	120,028	—	120,028	168,891
Miscellaneous income	48,537	—	48,537	73,205
	237,140	—	237,140	379,037

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Hire of facilities	13,634	—	13,634
School trips	123,307	—	123,307
Catering income	168,891	—	168,891
Miscellaneous income	73,205	—	73,205
	379,037	—	379,037

Notes to the Financial Statements Year to 31 August 2020

**4 Investment income**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Interest receivable	2,187	—	2,187	2,843

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Interest receivable	2,843	—	2,843

**5 Expenditure**

	Non-pay expenditure			2020 Total funds £	2019 Total funds £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
· Direct costs	18,275	—	400	18,675	17,935
· Support costs	3,026	3,785	1,763	8,574	9,426
	21,301	3,785	2,163	27,249	27,361
School's educational operations					
· Direct costs	2,703,946	206,030	236,577	3,146,553	2,894,495
· Allocated support costs	491,598	637,817	297,593	1,427,008	1,522,152
	3,195,544	843,847	534,170	4,573,561	4,416,647
	3,216,845	847,632	536,333	4,600,810	4,444,008

	Non pay expenditure			2019 Total funds £
	Staff costs £	Premises £	Other costs £	
Expenditure on raising funds				
· Direct costs	17,400	—	535	17,935
· Support costs	2,490	4,388	2,548	9,426
	19,890	4,388	3,083	27,361
School's educational operations				
· Direct costs	2,321,510	209,991	362,994	2,894,495
· Allocated support costs	400,902	706,468	414,782	1,522,152
	2,722,412	916,459	777,776	4,416,647
	2,742,302	920,847	780,859	4,444,008

**Notes to the Financial Statements Year to 31 August 2020**

**5 Expenditure (continued)**

**Net income for the year includes:**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	<b>229,832</b>	230,526
Depreciation	<b>206,030</b>	209,991
Fees payable to auditor		
. Audit	<b>8,100</b>	7,850
. Other services	<b>4,450</b>	4,330

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

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>
Direct costs	<b>3,146,553</b>	2,894,495
Support costs	<b>1,427,008</b>	1,522,152
	<b>4,573,561</b>	4,416,647

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>
Support staff costs	<b>491,598</b>	400,902
Premises costs	<b>637,817</b>	706,468
Legal costs	<b>600</b>	—
Other support costs	<b>284,443</b>	401,177
Governance costs	<b>12,550</b>	13,605
<b>Total support costs</b>	<b>1,427,008</b>	1,522,152

## 7 Comparative information

	Unrestricted general fund £	Restricted funds		2019 Total funds £
		General £	Fixed assets fund £	
<b>Income from:</b>				
Donations and capital grants	—	182,117	26,997	209,114
Charitable activities				
· Funding for the School's educational operations	—	3,560,900	—	3,560,900
Other trading activities	379,037	—	—	379,037
Investments	2,843	—	—	2,843
<b>Total income</b>	<b>381,880</b>	<b>3,743,017</b>	<b>26,997</b>	<b>4,151,894</b>
<b>Expenditure on:</b>				
Raising funds	27,361	—	—	27,361
Charitable activities				
· School's educational operations	333,146	3,873,510	209,991	4,416,647
<b>Total expenditure</b>	<b>360,507</b>	<b>3,873,510</b>	<b>209,991</b>	<b>4,444,008</b>
<b>Net income (expenditure)</b>	<b>21,373</b>	<b>(130,493)</b>	<b>(182,994)</b>	<b>(292,114)</b>
<b>Transfer between funds</b>	<b>—</b>	<b>5,017</b>	<b>(5,017)</b>	<b>—</b>
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension scheme	—	(171,000)	—	(171,000)
<b>Net movement in funds</b>	<b>21,373</b>	<b>(296,476)</b>	<b>(188,011)</b>	<b>(463,114)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September 2018	69,514	262,256	3,000,984	3,332,754
<b>Total fund balances carried forward at 31 August 2019</b>	<b>90,887</b>	<b>(34,220)</b>	<b>2,812,973</b>	<b>2,869,640</b>

## 8 Staff

### (a) Staff costs

Staff costs during the year were:

	2020 Total funds £	2019 Total funds £
Wages and salaries	2,317,839	2,112,072
Social security costs	182,822	154,488
Operating costs of defined benefit pension schemes	648,939	425,223
	<b>3,149,600</b>	<b>2,691,783</b>
Supply teacher costs	20,995	50,519
Staff restructuring costs	46,250	—
	<b>3,216,845</b>	<b>2,742,302</b>

### (b) Staff restructuring costs

Staff restructuring costs comprise a single, non-statutory severance payment of £46,250 (2019 – £nil).

### (c) Staff numbers

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

Charitable activities	2020 No.	2019 No.
Teachers	49	46
Teaching support staff	35	32
Administration and support	15	20
Management	6	7
	<b>105</b>	<b>105</b>

### (d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 – £70,000	1	1

During 2020, the employee in question participated in the Teachers' Pension Scheme. Employer's pension contributions for this member of staff amounted to £16,233 (2019 – £10,995).

## 8 Staff (continued)

### (e) Key management personnel

The key management personnel of the School comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel for their services to the School was £408,435 (2019 — £313,413).

## 9 Governors' remuneration and expenses

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

	2020 £'000	2019 £'000
M Khatib (Executive Head and Governor)		
. Remuneration	65 – 70	65 – 70
. Employer's pension contributions	15 – 20	10 – 15
Gill Rolfe (Staff Governor)		
. Remuneration	20 – 25	50 – 55
. Employer's pension contributions	5 – 10	5 – 10

Gill Rolfe resigned as a staff governor on 22 January 2020. As such, only her remuneration from 1 September 2019 up to this date is disclosed above.

During the year ended 31 August 2020, £241 of expenses was reimbursed to one Staff Governor in respect of expenditure incurred in their role as an employee (2019 – £997 to two Governors).

Other related party transactions are set out in note 19.

## 10 Governors' and Officers' insurance

In accordance with normal commercial practice, the School has purchased Risk Protection Arrangement (RPA) insurance from the DfE to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. This has been purchased as part of a wider global insurance premium. The cost of belonging to the RPA for the year ended 31 August 2020 was £10,764 (2019 – £11,040). The insurance provides cover of up to £10 million on any one claim.

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

### 11 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
<b>Cost/ valuation</b>						
At 1 September 2019	2,680,688	406,911	346,009	512,713	31,140	3,977,461
Additions	—	—	—	235,675	—	235,675
At 31 August 2020	2,680,688	406,911	346,009	748,388	31,140	4,213,136
<b>Depreciation</b>						
At 1 September 2019	177,911	406,911	186,859	378,053	14,754	1,164,488
Charge for the year	70,342	—	42,729	90,017	2,942	206,030
At 31 August 2020	248,253	406,911	229,588	468,070	17,696	1,370,518
<b>Net book value</b>						
At 31 August 2020	2,432,435	—	116,421	280,318	13,444	2,842,618
At 31 August 2019	2,502,777	—	159,150	134,660	16,386	2,812,973

### 12 Debtors

	2020 £	2019 £
Trade debtors	2,410	1,803
VAT recoverable	32,060	47,369
Other debtors	46,559	101
Prepayments and accrued income	142,248	175,372
	<b>223,277</b>	<b>224,645</b>

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

	2020 £	2019 £
Trade creditors	77,929	220,451
Taxation and social security	5	5
ESFA creditor: abatement of GAG	242,263	167,376
ESFA creditor: VAT	5,631	5,631
Other creditors	4,691	3,058
Accruals and deferred income	84,955	89,971
	<b>415,474</b>	<b>486,492</b>
<b>Deferred income</b>		
Deferred Income at 1 September 2019	62,379	61,903
Amounts released from previous years	(62,379)	(61,903)
Resources deferred in the year	70,537	62,379
Deferred income at 31 August 2020	<b>70,537</b>	<b>62,379</b>

Deferred income relates to capital grant funding received in advance of £7,012 (2019 – £6,389), income received for school trips taking place in 2020/21 of £44,584 (2019 – £33,557), Universal Free school meal income deferred of £17,766 (2019 – £22,443), and hire income relating to rentals taking place during 2020/21 of £1,175 (2019 – £nil).

**14 Funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	409,780	2,863,337	(2,621,749)	—	651,368
. Start Up Grant	—	48,000	(48,000)	—	—
. Pupil Premium	—	99,138	(99,138)	—	—
. Other grants	—	882,268	(882,268)	—	—
. Local Authority grants	—	222,583	(222,583)	—	—
. Other restricted funds	—	126,395	(126,395)	—	—
. Pension reserve	(444,000)	—	(182,000)	(203,000)	(829,000)
	<u>(34,220)</u>	<u>4,241,721</u>	<u>(4,182,133)</u>	<u>(203,000)</u>	<u>(177,632)</u>
<b>Restricted fixed asset funds</b>					
. DfE/ ESFA capital grants	1,957,625	235,675	(178,900)	—	2,014,400
. Donations in kind	836,314	—	(18,900)	—	817,414
. Restricted donations	10,749	—	(2,035)	—	8,714
. Private sector capital sponsorship	8,285	—	(6,195)	—	2,090
	<u>2,812,973</u>	<u>235,675</u>	<u>(206,030)</u>	<u>—</u>	<u>2,842,618</u>
<b>Total restricted funds</b>	<u>2,778,753</u>	<u>4,477,396</u>	<u>(4,388,163)</u>	<u>(203,000)</u>	<u>2,664,986</u>
<b>Unrestricted funds</b>					
. General funds	90,887	239,327	(212,647)	—	117,567
<b>Total unrestricted funds</b>	<u>90,887</u>	<u>239,327</u>	<u>(212,647)</u>	<u>—</u>	<u>117,567</u>
<b>Total funds</b>	<u>2,869,640</u>	<u>4,716,723</u>	<u>(4,600,810)</u>	<u>(203,000)</u>	<u>2,782,553</u>

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

***Restricted general funds******General Annual Grant (GAG)***

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

***Start-up grant***

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



**14 Funds (continued)**

***Restricted general funds (continued)***

*Pupil premium*

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

*Other grants*

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

*Local authority grants*

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

*Other restricted funds*

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

*Pension reserve*

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

***Restricted fixed asset funds***

*DfE/ ESFA capital grants*

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

*Donations in kind*

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

*Restricted donations and private sector capital sponsorship*

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

#### 14 Funds (continued)

##### General funds

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

##### Comparative information

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	428,256	2,635,042	(2,658,535)	5,017	409,780
. Start Up Grant	—	77,750	(77,750)	—	—
. Pupil Premium	—	94,343	(94,343)	—	—
. Other grants	—	577,323	(577,323)	—	—
. Local Authority grants	—	176,442	(176,442)	—	—
. Other restricted funds	—	182,117	(182,117)	—	—
. Pension reserve	(166,000)	—	(107,000)	(171,000)	(444,000)
	<u>262,256</u>	<u>3,743,017</u>	<u>(3,873,510)</u>	<u>(165,983)</u>	<u>(34,220)</u>
<b>Restricted fixed asset funds</b>					
. DfE/ ESFA capital grants	2,118,506	26,997	(182,861)	(5,017)	1,957,625
. Donation in kind	855,214	—	(18,900)	—	836,314
. Restricted donations	12,784	—	(2,035)	—	10,749
. Private sector capital sponsorship	14,480	—	(6,195)	—	8,285
	<u>3,000,984</u>	<u>26,997</u>	<u>(209,991)</u>	<u>(5,017)</u>	<u>2,812,973</u>
<b>Total restricted funds</b>	<u>3,263,240</u>	<u>3,770,014</u>	<u>(4,083,501)</u>	<u>(171,000)</u>	<u>2,778,753</u>
<b>Unrestricted funds</b>					
. General funds	69,514	381,880	(360,507)	—	90,887
<b>Total unrestricted funds</b>	<u>69,514</u>	<u>381,880</u>	<u>(360,507)</u>	<u>—</u>	<u>90,887</u>
<b>Total funds</b>	<u>3,332,754</u>	<u>4,151,894</u>	<u>(4,444,008)</u>	<u>(171,000)</u>	<u>2,869,640</u>

## 15 Analysis of net assets between funds

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

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2019 £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	—	—	2,812,973	<b>2,812,973</b>
Current assets	90,887	896,272	—	<b>987,159</b>
Current liabilities	—	(486,492)	—	<b>(486,492)</b>
Pension scheme liability	—	(444,000)	—	<b>(444,000)</b>
<b>Total net assets</b>	<b>90,887</b>	<b>(34,220)</b>	<b>2,812,973</b>	<b>2,869,640</b>

## 16 Commitments under operating leases

### Operating leases

At 31 August 2020, the total of the School's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £	2019 £
<b>Land and buildings</b>		
Amounts due within one year	<b>37,040</b>	213,533
	<b>37,040</b>	213,533
<b>Other</b>		
Amounts due within one year	—	16,673
	—	16,673

## 17 Pension and similar obligations

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

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

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

### *Teachers' Pension Scheme*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

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

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

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

## 17 Pension and similar obligations (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £382,007 (2019 – £232,362).

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

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

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

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

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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £134,000 (2019 – £124,000), of which employer's contributions totalled £100,000 (2019 – £93,000) and employees' contributions totalled £34,000 (2019 – £31,000). The agreed contribution rates for future years are 16.2% for employers and 5.5% – 12.5% for employees.

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

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.1%	2.6%
Rate of increase for pensions in payment / inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.2%	2.3%

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

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

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

	At 31 August 2020 Years	At 31 August 2019 Years
<i>Retiring today</i>		
Males	22.1	21.6
Females	24.3	23.6
<i>Retiring in 20 years</i>		
Males	22.9	22.5
Females	25.7	25.0

	At 31 August 2020 £	At 31 August 2019 £
Discount rate -0.5%	226,000	154,000
Salary increase rate +0.5%	2,000	7,000
Pension increase rate +0.5%	221,000	144,000

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	415,440	296,070
Corporate bonds	98,090	75,060
Property	46,160	33,360
Cash and other liquid assets	17,310	12,510
<b>Total market value of assets</b>	<b>577,000</b>	<b>417,000</b>
Present value of scheme liabilities		
• Funded	(1,406,000)	(861,000)
<b>Deficit in the scheme</b>	<b>(829,000)</b>	<b>(444,000)</b>

The actual return on scheme assets was (4.8)% (2019 – 6.4%).

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

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

<b>Amounts recognised in statement of financial activities</b>	<b>2020 £</b>	<b>2019 £</b>
Current service cost	(272,000)	(191,000)
Past service cost	—	(3,000)
Interest income	9,000	9,000
Interest cost	(19,000)	(15,000)
Actuarial loss	(203,000)	(171,000)
<b>Total amount recognised in the SOFA</b>	<b>(485,000)</b>	<b>(371,000)</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2020 £</b>	<b>2019 £</b>
At 1 September 2019	861,000	438,000
Current service cost	272,000	191,000
Interest cost	19,000	15,000
Employee contributions	34,000	31,000
Past service costs (McCloud judgement)	—	3,000
Actuarial loss	221,000	183,000
Benefits paid	(1,000)	—
<b>At 31 August 2020</b>	<b>1,406,000</b>	<b>861,000</b>

<b>Changes in the fair value of the School's share of scheme assets:</b>	<b>2020 £</b>	<b>2019 £</b>
At 1 September 2019	417,000	272,000
Interest income	9,000	9,000
Actuarial gain	18,000	12,000
Employer contributions	100,000	93,000
Employee contributions	34,000	31,000
Benefits paid	(1,000)	—
<b>At 31 August 2020</b>	<b>577,000</b>	<b>417,000</b>

**18 Members' liability**

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

**19 Related party transactions**

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