

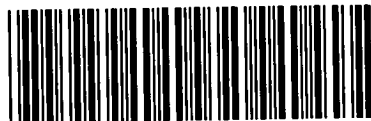
# **Cobham Free School Trust**

## **Annual Report and Financial Statements**

31 August 2022

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

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## Reference and administrative information

<b>Members</b>	Mr H Morris (Chair of Governors) Mr I Clifford Mr S Heard Mr R Khatib Mrs J Poppe Ms J Rangasamy Mr R Sturges
<b>The Governing Body</b>	Mr H Morris* (Chair of Governors) Mr C Andrews Mr C Banks* Mrs C Beddison Mr P Bedford* Mr N Cogswell* Mrs H Hutton-Attenborough Mrs M Khatib* Mrs T Lightbody Ms L Richardson Ms A Saunders
	*Members of the Finance and General Purposes Committee
<b>Company Secretary</b>	Mr R Khatib
<b>Clerk to the Governors</b>	Mrs J 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 Basu / 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 2022**

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 2022. 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 2022 was the operation of an all-through school, offering a broad and balanced curriculum.

#### **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 2022 and served throughout the year except where shown.

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

**Governors** (continued)

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

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

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

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

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

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

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

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

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

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

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

### **Organisational structure**

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

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

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

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

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

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

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

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

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.

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

### **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**

### **Mission**

To provide a unique education, freely available to all, offering academic excellence and taking best practice from state and private sectors. This is summarised in our school motto: 'Optimum Omnibus - the best for all'.

### **Vision**

- ◆ The school's vision is focused on our pupils.
- ◆ They are inspired and equipped to develop character and play their full part in the world around them.
- ◆ They are courageous, innovative, caring citizens, making our local community a better place to live.

### **Values**

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

- ◆ set high standards for ourselves, our students and for each other, in all that we do.
- ◆ give academic achievement and personal development equal importance in our school, enabling our students to be the best they can be, in all aspects of their lives in readiness for life's challenges ahead as adults.
- ◆ welcome all students, offer equality of opportunity, treat each other with respect and encourage resilience while celebrating success.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### **Objectives**

The main objective for the year ended 31 August 2022 was:

To continue to grow the school by increasing classes from 1 to 2 forms of entry in the junior department (with the exception of Years 2 and 6) and 3 to 4 forms of entry throughout the senior department (with the exception of Year 11). This was enabled by the relocation of the Upper School (Key Stage 2) from the Old Police Station site to the main school building.



**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Objectives** (continued)

A second objective was:

To continue to implement robust arrangements for the continuation of education during the COVID-19 pandemic and close identified gaps in learning following the period of national lockdowns.

**Public benefit**

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

**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:

**Academic Outcomes**

Success in national curriculum assessments at Key Stage 2 with results well above national average. See table below:

Key Stage 2 Results Summer 2022

SUBJECT	COBHAM FREE SCHOOL %	NATIONAL %
Reading (expected)	91	75
Reading (higher)	39	28
Grammar, punctuation & spelling (GPS)	87	73
(expected)		
GPS (higher)	52	29
Maths (expected)	91	73
Maths (higher)	30	23
Reading, writing & maths (expected)	75	60

Pupils performed well in GCSEs with 81% entering the English Baccalaureate compared with 38% nationally. See table below for results in English, Maths and Science.

SUBJECT	COBHAM FREE SCHOOL %	NATIONAL %
English at Grade 4 or above	94	79
Maths at Grade 4 or above	82	73
English and Maths at Grade 5 or above	65	50
Science at Grade 4 or above	88	69

## **STRATEGIC REPORT** (continued)

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

#### ***Academic Outcomes*** (continued)

A levels were marked externally for the first time in the school's history, with previous examinations having been teacher assessed due to the COVID-19 pandemic. 2 pupils achieved 3 A\*'s and university destinations reflected the excellent results, including: Exeter, Warwick, and Birmingham University Medical School.

A significant number of Year 12 students participated in the Extended Project Qualification, providing further opportunities for independent study and the development of research skills on a topic of interest.

#### ***Enrichment Programme and Wider Curriculum***

The careers provision was developed across the school and enhanced with a number of visiting speakers from a range of organisations, including Bank of England.

Residential trips resumed after a reduction in opportunities during the COVID-19 pandemic. These included skiing in Italy, Geography and Science field trips, staying at activity centres and overnight camping.

Pupils attended a wide range of day outings, including to museums, theatre and musical performances, and participated in onsite workshops to support curricular topics.

Pupils successfully participated in the Duke of Edinburgh scheme with 15 gaining their Bronze Award and 6 obtaining the Silver Award.

Pupils across the school participated in a varied programme of musical performances, including the Sound of Music production, Lower School Nativity, Victorian Christmas evening, singing festivals and concerts.

Pupils achieved success in a wide range of sporting activities and participated in over 125 competitive fixtures against other schools. Highlights included: U16 Boys football team qualifying as top out of their pool group in the schools Surrey 7s tournament and the U12 Girls athletics squad reaching the regional finals of the Surrey Indoor Athletics championships. The links with Chelsea Football Club Foundation and Cobham Rugby Club were expanded to support our extra-curricular provision.

#### ***Admissions***

The school was oversubscribed for applications in the reception, Year 3 and Year 7 normal admissions rounds. The Year 7 admissions round was particularly successful with 638 applications for the 80 spaces available and making the school the most oversubscribed in the county.

Applications for the 6th Form provision rose by 30%. The school received a significant number of in-year applications from Ukrainian families and were able to provide places in year groups across the senior department.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Staffing**

Staffing was increased to reflect the growth in pupil numbers over 40 new members of personnel appointed for September 2021.

Leadership capacity was increased in the Lower School (Reception to Year 2) with the appointment of a new Assistant Head to oversee operations.

**Site**

The project to make improvement works to Portsmouth Road was further developed with completion of the super cycle highway expected in the 2022/23 academic year. As part of this a licence was drawn up to enable the Lodge building to be occupied by the contractor while works are underway. The Lodge was also used as a second-hand uniform shop by the Friends of Cobham Free School (PTA).

The Old Police Station site was converted to be suitable for a 2 form entry Lower School (infant) setting in time for the start of the September 2021 term. The conversion included a new music room, improvements to external areas and a library with activity areas to encourage social skills development following the COVID-19 restrictions.

The Upper Junior department relocated to the main school building to enable the expansion to 2 form entry. This involved developing a wing of the site to meet the needs of the 7 to 11 age range, including set up of technology, furniture and educational resources. Basing the Upper Junior children at the main site opened up opportunities for cross-phase working and the use of specialist teaching spaces, in line with the vision for an all-through school.

**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.

**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.

## **STRATEGIC REPORT (continued)**

### **Going concern (continued)**

In considering the appropriate basis on which to prepare the financial statements the Governors are required to consider whether the Trust can continue in operational existence for the foreseeable future. As the school now has all year groups in place, for the financial year commencing 1 September 2021, the GAG funding on which the Trust relies has been calculated by the Department for Education (the funding provider) on a lagged basis (based on pupil population as at October 2020). Additional support has been provided by the ESFA in the form of a recoverable and non-recoverable grant to fund the growth in pupil numbers as the school's population moves to full capacity.

On the basis of the continuing financial support from the ESFA, the Trustees have prepared the financial statements on the going concern basis.

### **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 2022 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 2022 amounted to £5,303,426 (2021 – £25,088,582) of which £6,608 (2021 – £20,731,186) related to donated fixed assets.

As the year ended 31 August 2022 was the tenth year of operation for the School and the eighth year of operating as an all-through school with a Senior Department. ESFA income from the General Annual Grant (GAG) increased to £3,910,368 (2021 – £3,227,875), reflecting the increase in pupil numbers as described above.

The other recurrent DfE / ESFA income relates to income for special areas and government initiatives including the Universal Infant Free School Meals, pupil premium and sports funding. Recurrent non-GAG income from the DfE amounted to £312,173 (2021 – £456,887).

Additional Covid-19 grants have been received during the year in the form of Covid Recovery Premium funding, covid testing and running a catch-up camp for Year 7 of £59,544.

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

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

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

The remaining income comprises donations and sponsorship during the period from private organisations and individual donations from the parents totalling £201,938 for the year ended 31 August 2022 (2021 – £147,916). Unrestricted income was also received for facilities hire, trips and the bus service. This income amounted to £350,509 (2021 – £122,624). This has significantly increased with the increase in pupil numbers, a full year of our new premises and also opening up of opportunities for these activities post covid.

Revenue expenditure has increased as expected with the increase in pupil numbers. With a full year of being located the Main School permanent site there are increased maintenance and cleaning costs.

Capital additions in the year ended 31 August 2022, totalled £70,179 (2021 – £122,864) and were funded almost entirely by capital grants from the ESFA, as well as a transfer of £nil (2021 – £7,374) from GAG. As in 2020/21, capital additions for the year mainly related to investment in ICT for the developments at the Main School site. The net book value of tangible fixed assets at 31 August 2022 was £21,873,405 (2021 – £23,207,618).

The School held total fund balances as at 31 August 2022 of £21,844,121 (2021 – £22,504,257) of which £21,558,405 (2021 – £22,256,882) was restricted in nature and £285,716 (2021 – £247,375) unrestricted. Of the total restricted funds, £21,873,405 (2021 – £23,207,618) has been set aside to represent the net book value of tangible fixed assets.

The School has a pension scheme liability of £315,000 (2021 – £1,357,000) which is also included in the restricted funds.

After excluding net expenditure relating to the fixed asset fund of £1,331,887 (2021 – net income of £20,634,610) and net expenditure in the restricted pension deficit reserve of £381,000 (2021 – £223,000), as well as the actuarial gain for the year of £1,423,000 (2021 – an actuarial loss of £305,000), the overall operational deficit for 2021/22 was £367,923 (2021 – £115,296). The in-year deficit primarily caused by the move to lagged funding is covered by the brought forward reserves.

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.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

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

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

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

***Principal risks and uncertainties***

The principal risks to which the Trust is exposed are:

- ◆ Financial risk associated with ESFA's move to lagged funding from funding based on estimated pupils;
- ◆ Financial risk of a shortfall in funding arising from lower than anticipated 6th form pupil numbers; and
- ◆ Operational risks such as those relating to people, technology and cyber;

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 closely monitor the budgeting and forecasting process to maintain sufficient working reserves to cover the financial risks facing the Trust. The move to lagged funding in 2021/22 academic year resulted in a significant number of pupils not being funded by the ESFA in the year which had to be funded from the reserves balance.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Reserves policy*** (continued)

The School held fund balances as at 31 August 2022 of £21,844,121 (2021 – £22,504,257) which were composed primarily of restricted fixed asset funds of £21,873,405 (2021 – £23,207,618).

Excluding the restricted fixed asset fund and pension reserve, which shows a deficit of £315,000 (2021 – a deficit of £1,357,000), the School's free reserve balance at 31 August 2022 is £285,716 (2021 – £653,639). This figure includes both unrestricted general funds of £285,716 (2021 – £247,375) and funds restricted to general educational purposes of £nil (2021 – £406,264), and is considered sufficient to meet the School's current and expected needs.

***Investment policy***

The Governors assessed the level of funds available for investment during the period. Given the restraints on funding during the year with the move to lagged funding of pupil numbers, all investments were taken off account to ensure they were fully accessible as required. £nil (2021 – £203,669) was held on a 32-day notice account. Notice period accounts were cancelled during the year to ensure availability of cash with the move to lagged funding. 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 2021/22.

## **Governors' report** Year to 31 August 2022

### **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:

- ◆ Continue to embed the expansion of the school as it operates at capacity in Reception to Year 11 for the first time.
- ◆ Continue to develop the sixth form, increasing admissions and reviewing course provision.
- ◆ Continue to develop the school's operations in optimising use of the new permanent Main School site, including enhancements to the auditorium to enable the spaces to be used for performances and hires.
- ◆ Continue to develop the wider curriculum, including the extensive clubs programme and extra-curricular sports and music, and increase the number of residential trips.
- ◆ Work with the ESFA and contractors on any relevant aspects of the delivery of the road improvement works to Portsmouth Road, including the continued implementation of safe transport arrangements for pupils during this period.
- ◆ Plan for the use of the Lodge building and develop the space for educational purposes.
- ◆ Consider options available to expand the Trust to become a multi-academy trust.

### **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*

Howard Morris  
Chair of Governors

Date: 14/12/2022



### 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. The requirements of the Academy Trust Handbook have been met by having additional subcommittee meeting. The Finance and General Purposes Sub-committee met a further seven times and other subcommittees have also met on a regular basis. This is in compliance with the Academy Trust Handbook as the Finance sub-committee are also members of the Board. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr H Morris ( <i>Chair</i> )	6	6
Mr C Andrews	3	6
Dr C Banks	4	4
Mrs C Beddison	3	6
Mr P Bedford	4	4
Mr N Cogswell	4	6
Mrs H Hutton-Attenborough	5	6
Mrs M Khatib ( <i>Executive Head and Accounting Officer</i> )	6	6
Mr R Khatib	2	2
Mrs T Lightbody	3	6
Mr R Parsons	0	1
Ms J Rangasamy	2	2
Ms L Richardson	5	5
Ms A Saunders	4	6
Mr R Staegemann	6	6

**Governance (continued)**

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
Mr C Banks <i>Chair (appointed 11 December 2021)</i>	4	4
Mr P Bedford <i>(appointed 11 December 2021)</i>	4	4
Mr N Cogswell	3	6
Mrs M Khatib <i>(Executive Head and Accounting Officer)</i>	7	7
Mr H Morris	6	7
Ms J Rangasamy <i>(resigned 11 December 2021)</i>	3	3
Mr Khatib <i>(resigned 11 December 2021)</i>	3	3
Mr R Parsons <i>(resigned 19 October 2021)</i>	0	0

Mr N Cogswell joined the Finance and General Purposes Committee on 9 November 2021. Mr P Bedford and Mr C Banks were appointed to the Committee on 11 December 2021.

Mr R Khatib and Ms J Rangasamy resigned from the Finance and General Purposes committee on 11 December 2021.

**Conflicts of interest**

The Trust has in place processes to identify and manage any conflicts of interest should they arise. An up to date register of interests is maintained. This register of interests is raised at each Governing Body meeting to identify if there any areas being discussed that have a potential conflict. A new policy was put in place last year 'Managing conflicts and maintaining independent challenge policy'.

**Review of value for money**

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

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

- ♦ Running robust procurement for new contracts and careful price checking for all purchases.

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

- ◆ Raising additional funds by letting the school's facilities for the benefit of local community groups.
- ◆ Implementing recommendations from the School Resource Management Adviser including optimising teaching contact ratio,

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

- ◆ Making use of the government grants including school led tutoring enabling us to offer pupils more targeted support.
- ◆ Delivering our own in-house coaching programme for CPD to ensure teaching is at least good across the whole school.
- ◆ Supporting and developing newly qualified teachers (NQTs).
- ◆ Use of integrated financial curriculum planning to optimise timetable and personnel.
- ◆ Training our teaching assistants and learning support assistants to deliver effective group interventions to support learning across the school.
- ◆ Raising achievement for all pupils through:
- ◆ Ensuring a consistently high quality of teaching of learning across all phases through the implementation of a 'one school' initiative.
- ◆ Developing the staff team through CPD and robust performance management.
- ◆ Continuing to embed the middle management structures through upskilling Heads of Department in the senior school and phase leaders in the junior.
- ◆ Continuing to deliver higher than national average results in public examinations in Key Stage 1 and 2 curriculum tests.
- ◆ Ensuring effective preparation for A level and GCSE examinations, with a high percentage of students undertaking Ebacc subjects.
- ◆ Providing opportunities beyond the academic curriculum, including an exceptional music and sports offer through our links with the Yehudi Menuhin School for string tuition, and Chelsea FC Foundation, The Cobham Rugby and Sports Association, and other specialist providers for sports.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the School for the year ended 31 August 2022 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 2022 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 a Service Level Agreement with Strictly Education 4S to provide a programme of internal scrutiny. During the year this programme covered the following areas:

1. SEND & pupil premium compliance
2. Business continuity planning
3. HR management

## Governance statement 31 August 2022

### **Risk and control framework (continued)**

The outcome of the reviews was that risks were being mitigated to an acceptable level. Areas were identified where improvements could be made and these measures have been or are being implemented by the management team.

### **Review of effectiveness**

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

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

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*

*Michaela Khatib*

Howard Morris

(Chair of Governors)

Michaela Khatib

(Accounting Officer)

Approved on: 14/12/2022

14/12/2022

**Statement on regularity, propriety and compliance 31 August 2022**

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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*

Michaela Khatib  
Accounting Officer

Date: 14/12/2022

## Statement of Governors' responsibilities 31 August 2022

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 2021 to 2022;
- ◆ 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

*Howard Morris*

Chair of Governors

Date: 14/12/2022

**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 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP FRS 102) and the Academies Accounts Direction 2021 to 2022.

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 2022 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS 102 and Academies Accounts Direction 2021 to 2022.

**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**

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

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

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



**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of governors**

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

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

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of governors' meetings and papers provided to the governors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

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

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of governors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and

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

- ♦ work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

**Use of our report**

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

*Buzzacott LLP*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL  
Date: 16 December 2022

## **Independent reporting accountant's report 31 August 2022**

### **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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook 2021, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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

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.

## Independent reporting accountant's report 31 August 2022

### Approach (continued)

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

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

Date: 16 December 2022

**Statement of financial activities (including income and expenditure account) Year to 31 August 2022**

		Unrestricted general fund £	Restricted funds		2022 Total funds £	2021 Total funds £
	Notes	£	General £	Fixed assets fund £	£	£
<b>Income from:</b>						
Donations and capital grants	1	56,764	145,174	72,505	<b>274,443</b>	20,993,966
Charitable activities						
· Funding for the School's educational operations	2	—	4,678,394	—	<b>4,678,394</b>	3,971,792
Other trading activities	3	350,509	—	—	<b>350,509</b>	122,624
Investments	4	80	—	—	<b>80</b>	200
<b>Total income</b>		<b>407,353</b>	<b>4,823,568</b>	<b>72,505</b>	<b>5,303,426</b>	<b>25,088,582</b>
<b>Expenditure on:</b>						
Raising funds	5	—	—	—	—	31,384
Charitable activities						
· School's educational operations	6	—	5,982,170	1,404,392	<b>7,386,562</b>	5,030,494
<b>Total expenditure</b>		<b>—</b>	<b>5,982,170</b>	<b>1,404,392</b>	<b>7,386,562</b>	<b>5,061,878</b>
<b>Net income (expenditure)</b>		<b>407,353</b>	<b>(1,158,602)</b>	<b>(1,331,887)</b>	<b>(2,083,136)</b>	<b>20,026,704</b>
Transfers between funds		(369,012)	371,338	(2,326)	—	—
<b>Other recognised gains and losses</b>						
Actuarial gains (losses) on defined benefit pension scheme	17	—	1,423,000	—	<b>1,423,000</b>	(305,000)
<b>Net movement in funds</b>		<b>38,341</b>	<b>635,736</b>	<b>(1,334,213)</b>	<b>(660,136)</b>	<b>19,721,704</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2021		247,375	(950,736)	23,207,618	<b>22,504,257</b>	2,782,553
<b>Total fund balances carried forward at 31 August 2022</b>		<b>285,716</b>	<b>(315,000)</b>	<b>21,873,405</b>	<b>21,844,121</b>	<b>22,504,257</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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	11		<b>21,873,405</b>		23,207,618
<b>Current assets</b>					
Debtors	12	<b>349,751</b>		196,248	
Cash at bank and in hand		<b>200,528</b>		<b>882,027</b>	
		<b>550,279</b>		<b>1,078,275</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(264,563)</b>		<b>(424,636)</b>	
<b>Net current assets</b>			<b>285,716</b>		<b>653,639</b>
<b>Total assets less current liabilities</b>			<b>22,159,121</b>		<b>23,861,257</b>
Pension scheme liability	17		<b>(315,000)</b>		<b>(1,357,000)</b>
<b>Total net assets</b>			<b>21,844,121</b>		<b>22,504,257</b>
<b>Funds of the School:</b>					
<b>Restricted funds</b>					
Fixed assets fund	14		<b>21,873,405</b>		23,207,618
General fund	14		—		406,264
Pension reserve	14		<b>(315,000)</b>		<b>(1,357,000)</b>
<b>Total restricted funds</b>			<b>21,558,405</b>		<b>22,256,882</b>
<b>Unrestricted funds</b>					
General fund	14		<b>285,716</b>		<b>247,375</b>
<b>Total funds</b>			<b>21,844,121</b>		<b>22,504,257</b>

The financial statements on page 29 to 55 were approved by the Governors, authorised for issue and are signed on their behalf by: Howard Morris

*Howard Morris*

Chair of Governors

Date: 14/12/2022

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



# Statement of cash flows Year to 31 August 2022

		2022 £	2021 £
<b>Net cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	A	(683,905)	(71,925)
<b>Cash flows from investing activities</b>	B	2,406	(7,180)
<b>Change in cash and cash equivalents in the year</b>		<b>(681,499)</b>	<b>(79,105)</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2021		882,027	961,132
<b>Cash and cash equivalents at 31 August 2022</b>	C	<b>200,528</b>	<b>882,027</b>

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

	2022 £	2021 £
<b>Net income (expenditure) for the year (as per the statement of financial activities)</b>	<b>(2,083,136)</b>	<b>20,026,704</b>
<b>Adjusted for:</b>		
Depreciation (note 11)	485,333	488,424
Impairment	919,059	—
Loss on disposal of assets	—	6
Capital grants from DfE and other capital income (note 1)	(72,505)	(114,864)
Interest receivable (note 4)	(80)	(200)
Defined benefit pension scheme cost less contributions payable (note 17)	355,000	207,000
Donated fixed assets	—	(20,731,186)
Defined benefit pension scheme finance cost (note 17)	26,000	16,000
Decrease in debtors	(153,503)	27,029
Increase (decrease) in creditors	(160,073)	9,162
<b>Net cash (used in) provided by operating activities</b>	<b>(683,905)</b>	<b>(71,925)</b>

## B Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	80	200
Proceeds from sale of tangible fixed assets	—	620
Additions to tangible fixed assets	(70,179)	(122,864)
Capital grants from DfE/ ESFA	72,505	114,864
<b>Net cash provided by investing activities</b>	<b>2,406</b>	<b>(7,180)</b>

## C Analysis of changes in net debt

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash at bank and in hand	882,027	(681,499)	200,528
<b>Total cash and cash equivalents</b>	<b>882,027</b>	<b>(681,499)</b>	<b>200,528</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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

**Going concern**

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

In considering the appropriate basis on which to prepare the financial statements the Governors are required to consider whether the Trust can continue in operational existence for the foreseeable future. As the school now has all year groups in place, for the financial year commencing 1 September 2021, the GAG funding on which the Trust relies has been calculated by the Department for Education (the funding provider) on a lagged basis (based on pupil population as at October 2020). Additional support has been provided by the ESFA in the form of a recoverable and non-recoverable grant to fund the growth in pupil numbers as the school's population moves to full capacity.

On the basis of the continuing financial support from the ESFA, the Trustees have prepared the financial statements on the going concern basis.

The Trustees' assessment of the going concern position is disclosed on page 9 of the Trustees' report.

**Income**

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

## **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.

### ***Raising funds***

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

**Expenditure (continued)**

***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 & long leasehold buildings	2% per annum
◆ Other building components	10% to 20% per annum
◆ Furniture and equipment	10% to 20% per annum
◆ Computer equipment	20% to 33.3% per annum
◆ Motor vehicles	10% to 20% per annum

The valuation provided by the ESFA does not split out the Freehold and Leasehold buildings and so these have been included together within Note 11.

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

### **Liabilities**

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

### **Financial instruments**

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

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

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

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

### **Leased assets**

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

### **Taxation**

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

### **Pensions benefits**

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

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

**Pensions benefits (continued)**

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

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

**Fund accounting**

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

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

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

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

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and 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.

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

***Critical accounting estimates and assumptions (continued)***

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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The School's permanent site was donated by the ESFA on 3 March 2021. In the absence of a valuation for the year ended 31 August 2021, the value was included at the cost to the ESFA of the purchase and renovation. A valuation has subsequently been provided by the ESFA of both the leasehold and freehold properties occupied by the Trust. This valuation of the land and buildings has been recognised as an impairment in the accounts for year ended 31 August 2022.

**Notes to the Financial Statements Year to 31 August 2022**

**1 Donations and capital grants**

	Unrestricted funds £	Restricted funds £	Restricted fixed assets funds £	<b>2022 Total funds £</b>	2021 Total funds £
Capital grants	—	—	65,897	<b>65,897</b>	127,108
Private sponsorship	—	145,174	—	<b>145,174</b>	98,504
Donated fixed assets	—	—	6,608	<b>6,608</b>	20,731,186
Other donations	56,764	—	—	<b>56,764</b>	37,168
	<b>56,764</b>	<b>145,174</b>	<b>72,505</b>	<b>274,443</b>	<b>20,993,966</b>

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

The School's permanent site was donated to the School by the ESFA on 3 March 2021.



## Notes to the Financial Statements Year to 31 August 2022

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

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	—	3,910,368	<b>3,910,368</b>	3,227,875
. Start Up Grants	—	—	—	48,000
. Teachers' Pension and Pay grants	—	14,821	<b>14,821</b>	140,021
. Universal Infant Free School Meals	—	58,486	<b>58,486</b>	78,770
. Pupil Premium	—	123,916	<b>123,916</b>	96,123
. Other DfE Group grants	—	114,950	<b>114,950</b>	93,973
	—	4,222,541	<b>4,222,541</b>	3,684,762
<b>Other Government grants</b>				
. Local authority grants	—	325,480	<b>325,480</b>	183,774
	—	325,480	<b>325,480</b>	183,774
Other income from the academy trust's educational operations	—	70,829	<b>70,829</b>	28,684
<b>COVID-19 additional funding (DfE/ESFA)</b>				
. Recovery premium	—	16,898	<b>16,898</b>	47,680
. Other DfE/ESFA COVID-19 funding	—	42,646	<b>42,646</b>	23,091
	—	59,544	<b>59,544</b>	70,771
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
. Coronavirus Job Retention Scheme grant	—	—	—	184
. Other COVID-19 funding	—	—	—	3,617
	—	—	—	3,801
<b>2022 Total funds</b>		4,678,394	<b>4,678,394</b>	3,971,792

- ♦ The trust received £16,898 (2021 – £47,680) of funding for recovery / catch-up premium and costs incurred in respect of this funding totalled £16,898 (2021 – £47,680), with no balance remaining to be spent during 2022/23.
- ♦ The School furloughed no members of staff responsible for the provision of wrap-around care under the government's Coronavirus Job Retention Scheme during the period.

Notes to the Financial Statements Year to 31 August 2022

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

	Unrestricted funds £	Restricted funds £	2021 Total funds £
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	3,227,875	3,227,875
. Start Up Grants	—	48,000	48,000
. Universal Infant Free School Meals	—	78,770	78,770
. Pupil Premium	—	96,123	96,123
. Teachers' Pension and Pay grants	—	140,021	140,021
. Programme Development grant	—	—	—
. Hurst Park rent grant	—	—	—
. Other DfE Group grants	—	93,973	93,973
. Donated facilities	—	—	—
	<b>—</b>	<b>3,684,762</b>	<b>3,684,762</b>
<i>Other Government grants</i>			
. Local authority grants	—	183,774	183,774
	<b>—</b>	<b>183,774</b>	<b>183,774</b>
<i>COVID-19 additional funding (DfE/ESFA)</i>			
. Catch-up premium	—	47,680	47,680
. Other DfE/ESFA COVID-19 funding	—	23,091	23,091
	<b>—</b>	<b>70,771</b>	<b>70,771</b>
<i>COVID-19 additional funding (non-DfE /ESFA)</i>			
. Coronavirus Job Retention Scheme grant	—	184	184
. Other COVID-19 funding	—	3,617	3,617
	<b>—</b>	<b>3,801</b>	<b>3,801</b>
<i>Other income from the academy's educational operations</i>	1,200	27,484	28,684
<b>2021 Total funds</b>	<b>1,200</b>	<b>3,970,592</b>	<b>3,971,792</b>

**3 Other trading activities**

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Hire of facilities	75,196	—	88,587	25,580
School trips	107,508	—	94,117	43,384
Miscellaneous income	167,805	—	167,805	53,660
	<b>350,509</b>	<b>—</b>	<b>350,509</b>	<b>122,624</b>
	Unrestricted funds £	Restricted funds £		2021 Total funds £
Hire of facilities	25,580	—		25,580
School trips	43,384	—		43,384
Miscellaneous income	53,660	—		53,660
	<b>122,624</b>	<b>—</b>		<b>122,624</b>

Notes to the Financial Statements Year to 31 August 2022

**4 Investment income**

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Interest receivable	80	—	80	200

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Interest receivable	200	—	200

**5 Expenditure**

	Staff costs £	Non-pay expenditure		2022 Total funds £	2021 Total funds £
		Premises £	Other costs £		
Expenditure on raising funds					
· Direct costs	—	—	—	—	28,593
· Support costs	—	—	—	—	2,791
	—	—	—	—	31,384
School's educational operations					
· Direct costs	3,790,450	1,404,392	455,000	5,649,842	3,781,027
· Allocated support costs	784,988	598,456	353,276	1,736,720	1,249,467
	4,575,438	2,002,848	808,276	7,386,562	5,030,494
	4,575,438	2,002,848	808,276	7,386,562	5,061,878

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

Notes to the Financial Statements Year to 31 August 2022

**5 Expenditure (continued)**

Net income for the year includes:	2022 £	2021 £
Operating lease rentals	—	90,041
Loss on disposal of fixed assets	—	6
Depreciation	485,333	488,424
Impairment	919,059	—
Fees payable to auditor		
. Audit	9,710	8,880
. Other services	5,614	4,625

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

	2022 Total funds £	2021 Total funds £
Direct costs	5,649,842	3,781,027
Support costs	1,736,720	1,249,467
	<b>7,386,562</b>	<b>5,030,494</b>

	2022 Total funds £	2021 Total funds £
Support staff costs	784,988	568,741
Premises costs	598,456	392,231
Legal costs	11,996	41,270
Other support costs	325,956	233,751
Governance costs	15,324	13,474
<b>Total support costs</b>	<b>1,736,720</b>	<b>1,249,467</b>

# Notes to the Financial Statements Year to 31 August 2022

## 7 Comparative information

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

## 8 Staff

### (a) Staff costs

Staff costs during the year were:

	2022 Total funds £	2021 Total funds £
Wages and salaries	3,242,472	2,654,522
Social security costs	281,611	201,120
Operating costs of defined benefit pension schemes	1,037,426	767,148
	<b>4,561,509</b>	<b>3,622,790</b>
Supply teacher costs	13,929	22,018
Staff restructuring costs	—	—
	<b>4,575,438</b>	<b>3,644,808</b>

### (b) Staff numbers

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

Charitable activities	2022 No.	2021 No.
Teachers	68	55
Teaching support staff	51	42
Administration and support	15	19
Management	6	6
	<b>140</b>	<b>122</b>

### (c) Higher paid staff

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

	2022 No.	2021 No.
£60,001 – £70,000	—	—
£70,001 – £80,000	1	1

During 2022, the employee in question participated in the Teachers' Pension Scheme. Employer's pension contributions for this member of staff amounted to £17,513 (2021 – £16,459).

### (d) 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 £463,931 (2021 – £406,380).

## 8 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:

	2022 £'000	2021 £'000
M Khatib (Executive Head and Governor)		
• Remuneration	70 – 80	70 – 80
• Employer's pension contributions	15 – 20	15 – 20

During the year ended 31 August 2022, £nil of expenses was reimbursed to Staff Governors in respect of expenditure incurred in their role as an employee (2021 – £1,038 to one Staff Governor).

Other related party transactions are set out in note 19.

## 9 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 2022 was £13,718 (2021 – £11,556). The insurance provides cover of up to £10 million on any one claim.

## 10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
<b>Cost/ valuation</b>					
At 1 September 2021	22,680,688	1,079,878	867,319	31,140	24,659,025
Additions	—	12,020	58,159	—	70,179
At 31 August 2022	22,680,688	1,091,898	925,478	31,140	24,729,204
<b>Depreciation</b>					
At 1 September 2021	516,629	341,724	572,425	20,629	1,451,407
Charge for the year	198,900	168,929	114,570	2,934	485,333
Impairment	919,059	—	—	—	919,059
At 31 August 2022	1,634,588	510,653	686,995	23,563	2,855,799
<b>Net book value</b>					
At 31 August 2022	21,046,100	581,245	238,483	7,577	21,873,405
At 31 August 2021	22,164,059	738,154	294,894	10,511	23,207,618

The School's permanent site was donated to the School by the ESFA on 3 March 2021. In the absence of a market valuation for the year ended 31 August 2021, the School recognised the donated asset at the cost to the ESFA of renovating the structure into a specialised school building and constructing additional wings on the property. During the year ended 31 August 2022, a valuation was provided by the ESFA as at 31 August 2021 of £21,245,000. As such, the value of the land and buildings has been adjusted to reflect the valuation provided by recognising an impairment in the year ended 31 August 2022. Included within land and buildings, £11,300,000 relates to land which is not depreciated.

## 11 Debtors

	2022 £	2021 £
Trade debtors	16,959	5,124
VAT recoverable	74,925	68,569
Other debtors	101	101
Prepayments and accrued income	257,766	122,454
	<b>349,751</b>	<b>196,248</b>



**Notes to the Financial Statements Year to 31 August 2022**

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

	2022 £	2021 £
Trade creditors	92,020	134,305
Taxation and social security	67,799	5
ESFA creditor: abatement of GAG	—	121,302
Other creditors	714	58,566
Accruals and deferred income	104,030	110,458
	<b>264,563</b>	<b>424,636</b>
<b>Deferred income</b>		
Deferred Income at 1 September 2021	72,522	70,537
Amounts released from previous years	(72,522)	(70,537)
Resources deferred in the year	(65,683)	72,522
Deferred income at 31 August 2022	<b>65,683</b>	<b>72,522</b>

Deferred income of £65,683 (2021 – £72,522) relates to capital grant funding and income received in advance for school trips.

### 13 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	406,264	3,910,368	(4,687,970)	371,338	—
. Universal Infant Free School Meals	—	58,486	(58,486)	—	—
. Pupil Premium	—	123,916	(123,916)	—	—
. Teachers Pay and Pension Grant	—	14,821	(14,821)	—	—
. Recovery/Catch-up premium	—	16,898	(16,898)	—	—
. Other DfE/ESFA COVID-19 funding	—	42,646	(42,646)	—	—
. Other DfE grants	—	114,950	(114,950)	—	—
. Local Authority grants	—	325,480	(325,480)	—	—
. Other restricted funds	—	216,003	(216,003)	—	—
. Pension reserve	(1,357,000)	—	(381,000)	1,423,000	(315,000)
	<u>(950,736)</u>	<u>4,823,568</u>	<u>(5,982,170)</u>	<u>1,794,338</u>	<u>(315,000)</u>
<b>Restricted fixed asset funds</b>					
. DfE/ ESFA capital grants	2,092,736	65,897	(132,197)	(1,720,015)	306,421
. Donations in kind	21,104,301	6,608	(1,266,285)	1,717,689	21,562,313
. Restricted donations	8,534	—	(3,863)	—	4,671
. Private sector capital sponsorship	2,047	—	(2,047)	—	—
	<u>23,207,618</u>	<u>72,505</u>	<u>(1,404,392)</u>	<u>(2,326)</u>	<u>21,873,405</u>
<b>Total restricted funds</b>	<u>22,256,882</u>	<u>4,896,073</u>	<u>(7,386,562)</u>	<u>1,792,012</u>	<u>21,558,405</u>
<b>Unrestricted funds</b>					
. General funds	247,375	407,353	—	(369,012)	285,716
<b>Total unrestricted funds</b>	<u>247,375</u>	<u>407,353</u>	<u>—</u>	<u>(369,012)</u>	<u>285,716</u>
<b>Total funds</b>	<u>22,504,257</u>	<u>5,303,426</u>	<u>(7,386,562)</u>	<u>1,423,000</u>	<u>21,844,121</u>

The transfer between DfE / ESFA capital grants and Donations in kind relates to the combined valuation of the land and building all of which is now within Donations in kind.

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.

### 13 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 Dfe/ ESFA grants***

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

##### ***Local authority grants***

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

##### ***Other restricted funds***

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

##### ***Pension reserve***

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

#### **Restricted fixed asset funds**

##### ***DfE/ ESFA capital grants***

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

##### ***Donations in kind***

This fund represents the net book value of the School's freehold and leasehold land and buildings at both the old Police Station and Main School site, which were received as a donation from the ESFA.

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

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

##### ***General funds***

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

During the year a transfer was made from unrestricted general funds to restricted general funds to support the in-year losses resulting from unfunded pupils as the Trust moved from pupil estimates to lagged pupil numbers.

### 13 Funds (continued)

#### Comparative information

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

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

#### 14 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2022 £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	—	—	21,873,405	21,873,405
Current assets	285,716	264,563	—	550,279
Current liabilities	—	(264,563)	—	(264,563)
Pension scheme liability	—	(315,000)	—	(315,000)
<b>Total net assets</b>	<b>285,716</b>	<b>(315,000)</b>	<b>21,873,405</b>	<b>21,844,121</b>

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

#### 15 Capital commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	—	—
	—	—

#### 16 Pension and similar obligations

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

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

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

## 16 Pension and similar obligations (continued)

### *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%.

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 £601,910 (2021 – £508,452).

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

## 16 Pension and similar obligations (continued)

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

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 2022 was £195,000 (2021 – £169,000), of which employer's contributions totalled £47,000 (2021 – £41,000) and employees' contributions totalled £148,000 (2021 – £128,000). The agreed contribution rates for future years are 16.2% for employers and 5.5% – 12.5% for employees.

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

	At 31 August 2022	At 31 August 2021
<b>Principal Actuarial Assumptions</b>		
Rate of increase in salaries	3.95%	3.80%
Rate of increase for pensions in payment / inflation	3.05%	2.90%
Discount rate for scheme liabilities	4.25%	1.65%
Inflation assumption (CPI)	3.05%	2.90%

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 2022 Years	At 31 August 2021 Years
<i>Retiring today</i>		
Males	22.1	22.3
Females	24.5	24.7
<i>Retiring in 20 years</i>		
Males	23.1	23.4
Females	26.2	26.4

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

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

<b>Sensitivity Analysis: Impact on the net pension liability from changes in assumptions</b>	<b>At 31 August 2022 £</b>	<b>At 31 August 2021 £</b>
Discount rate -0.1%	41,000	68,000
Mortality assumption - 1 year increase	54,000	90,000
CPI rate +0.1%	41,000	67,000

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

	<b>Fair value at 31 August 2022 £</b>	<b>Fair value at 31 August 2021 £</b>
Equities	785,840	668,250
Corporate bonds	144,760	142,560
Property	82,720	62,370
Cash and other liquid assets	20,680	17,820
<b>Total market value of assets</b>	<b>1,034,000</b>	<b>891,000</b>
Present value of scheme liabilities		
• <b>Funded</b>	<b>(1,349,000)</b>	<b>(2,248,000)</b>
<b>Deficit in the scheme</b>	<b>(315,000)</b>	<b>(1,357,000)</b>

The actual return on scheme assets was (4.9)% (2021 – 22.6%).

<b>Amounts recognised in statement of financial activities</b>	<b>2022 £</b>	<b>2021 £</b>
Current service cost	(503,000)	(335,000)
Interest income	16,000	11,000
Interest cost	(42,000)	(27,000)
Actuarial loss	513,000	(305,000)
<b>Total amount recognised in the SOFA</b>	<b>(16,000)</b>	<b>(656,000)</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2022 £</b>	<b>2021 £</b>
At 1 September 2021	2,248,000	1,406,000
Current service cost	503,000	335,000
Interest cost	42,000	27,000
Employee contributions	47,000	41,000
Actuarial loss	(1,488,000)	442,000
Benefits paid	(3,000)	(3,000)
<b>At 31 August 2022</b>	<b>1,349,000</b>	<b>2,248,000</b>



## 16 Pension and similar obligations (continued)

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

Changes in the fair value of the School's share of scheme assets:	2022 £	2021 £
At 1 September 2021	891,000	577,000
Interest income	16,000	11,000
Actuarial gain	(65,000)	137,000
Employer contributions	148,000	128,000
Employee contributions	47,000	41,000
Benefits paid	(3,000)	(3,000)
<b>At 31 August 2022</b>	<b>1,034,000</b>	<b>891,000</b>

## 17 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.

## 18 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.