

Company Registration No. 07838151 (England and Wales)

**THE MALCOLM SARGENT PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021**

THE MALCOLM SARGENT PRIMARY SCHOOL

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THE MALCOLM SARGENT PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

K E Swanson
T M Harris
T J Revell (Resigned 4 January 2021)
S Stanier (Appointed 4 January 2021)
R Butler (Appointed 6 September 2021)
S R Gaunt (Appointed 6 September 2021)

Trustees

K E Swanson (Chair of Governors)
T M Harris (Resigned 26 November 2020)
M Brewin
R A Butler (Resigned 31 August 2021)
T J Revell (Accounting Officer)
N Armstrong
S Gaunt
A Cross
C Stapling (Resigned 11 October 2021)
J Shaw
M Town
T Perkins
K Batkin (Appointed 29 January 2021)
J Flint (Appointed 25 March 2021)
L Steele (Appointed 7 July 2021)

Senior management team

- Principal	T J Revell
- Vice Principal (Upper school and Deputy)	T Cox
- Vice Principal (Lower school)	T M Cox
- Assistant Principal	H Ward
- Assistant Principal	K Perry
- Finance Director	S Saunderson
- Business Director	M Town
- Accounting Officer	T J Revell

Company registration number 07838151 (England and Wales)

Registered office The Malcolm Sargent Primary School
Empingham Road
Stamford
Lincolnshire
PE9 2SR
United Kingdom

Independent auditor Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

THE MALCOLM SARGENT PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
65 High Street
Stamford
Lincolnshire
PE9 2AT
United Kingdom

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment of west Stamford. It has a published admissions number (PAN) of 90 with an additional bulge class of 30 admitted to the school upon the request of the local authority. In October 2020 the number of pupils on roll was 641.

Structure, governance and management

Constitution

The academy is a company limited by guarantee, incorporated on 7 November 2011, and an exempt charity.

On 1 December 2011, the charitable company commenced the operation of an academy school following the conversion from a Local Authority controlled school. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

Members' liability

Each member of the charitable company undertake 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 year 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.

The members of the charitable company are:

T M Harris

K E Swanson

T J Revell (resigned 4 January 2021)

S Stanier (appointed 4 January 2021)

S R Gaunt (appointment effective from 1 September 2021)

R A Butler (appointment effective from 1 September 2021)

The Trustees act as the trustees for the charitable activities of The Malcolm Sargent Primary School, and are also the directors for the purpose of company law. The charitable company is known as The Malcolm Sargent Primary School.

Details of the Trustees who served during the period were:

K E Swanson* (Chairman)

T M Harris* (resigned 26 November 2020)

M Brewin

T J Revell* (Principal and Accounting Officer)

R A Butler* (resigned 31 August 2021)

S Gaunt*

N Armstrong

A Cross* (Vice Chair)

C Stapling (resigned 11 October 2021)

J Shaw

M Town

T Perkins

K Batkin (appointed 29 January 2021)

J Flint (appointed 25 March 2021)

L Steele (appointed 7 July 2021)

* Members of Finance and Stewardship

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees' indemnities

Staff Associate Trustees:

T M Cox

Senior Management Team:

- Principal
- Vice Principal (Upper school and Deputy)
- Vice Principal (Lower school)
- Assistant Principal (KS2)
- Assistant Principal (KS1)
- Business Manager
- Finance Manager

Method of recruitment and appointment or election of Trustees

Staff trustees are appointed by nomination and vote from all staff at the school. Parent trustees are elected by parents of registered pupils at the academy, by secret ballot. A parent trustee must be a parent of a pupil at the academy at the time when they are elected. Trustee trustees are nominated and appointed by the trustees via a recruitment and selection process and then a formal vote at a full Trustee Board meeting.

None of the Trustees have any beneficial interest in the company.

Policies and procedures adopted for the induction and training of Trustees

Trustees receive in house induction training from the Chair of Trustees and the Clerk to Trustees, they also receive a bespoke training manual, written for the academy. New and established trustees can attend a variety of training provided by Peterborough City Council specifically for trustees.

Organisational structure

The Full Trustee Board meets 5 times per year. The Finance & Stewardship Committee meets 5 times a year, the Audit Committee meets 4 times a year; the Staffing Committee meets 3 times a year and Curriculum Committee meets 4 times a year. All committees provide a report of discussions at the next Full Governing Board meeting. The Trustee Board delegates duties to the committees, including the approval of policies and procedures specific to that committee. The Trustee Board use a delegated decision planner to delegate tasks of daily management to the Principal and senior management team. The task of accounting officer has been delegated to the Principal. There are no related party transactions during this financial year.

The trustees' are responsible for identifying risks faced by the charitable company, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The trustees' acknowledge they have overall responsibility for ensuring that the academy trust has an effective and appropriate system of controls, financial and otherwise. The trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the academy trust and enable them to ensure the financial statements comply with the Companies Act. The trustees' also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The academy trust is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition,
- proper records are maintained and financial information used within the academy trust or for its publication is reliable and
- the academy trust complies with relevant laws and regulations.

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting pay and remuneration are detailed within the Whole School Pay Policy. It is determined and agreed post staff consultation by the Pay Review Committee (Trustees) on an annual basis. The Whole School Pay Policy provides the framework for making decisions regarding pay for all employees of the School (including Key Management Personnel), aligns to the STPC document and current legislation. The policy details pay determination on appointment, pay reviews, pay progression based on performance, determination of Leadership Group salaries, the staffing structure and salary scales.

The annual appraisal process continues to provide an essential vehicle to be used in determining pay, and final ratings offer the platform required for "fair, equal and consistent" pay determination. Under the current appraisal system, all staff are assessed during the academic year with a final performance rating being agreed towards the end of the Summer Term.

Risk management

The trustees' continually monitor and review systems and procedures to ensure that major risks are identified and managed. Within the current period, which spans from 1st September 2020 to 31st August 2021, the Academy worked in line with policies, procedures and protocols having evaluated risk and management structure during the previous financial year. This included a risk management review to ensure high level risks have adequate controls in place. Key controls to manage risk include:

- Agendas for all committee meetings
- Committee charters for all committees
- Strategic planning, budgeting and management reporting
- Formal organisational structure for staffing
- Written policies and procedures, which follow a full review cycle
- Authorisation and approval levels
- Appointment of Audit committee
- DBS Checks and Single Central Record
- Management Planning and Risk Management Strategy
- Risk registers

Trade union facility time

The school does not have any staff who are relevant trade union officials during the current year. The school contributes to the local authority's arrangements for trade union facility time.

Related parties and other connected charities and organisations

The related party transactions that occurred within the financial year were between Malcolm Sargent Primary School and Acorn Childcare Centre, its subsidiary company.

Other related parties to note are:

- Mr T Cox, Vice Principal, is married to Mrs T Cox, Vice Principal and Associate Trustee.

Objectives and activities

Objects and aims

The objective of the charitable company in the period under review was to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To promote for the benefit of the inhabitants of Stamford and the surrounding area the provision of facilities for recreation or leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year.

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The main objective of the academy has been to ensure that the curriculum is broad and exciting which will challenge all of our children to achieve their full potential, through consistently high quality teaching. This has been achieved with very high progress & attainment outcomes as in previous years, placing the school in the top group of consistently high achieving schools nationally. The trustees have focussed on further developing the effectiveness of their framework of policies & procedures- particularly the use of indicators & benchmark information to benefit risk management of the setting.

During this year the school development plan has had three core priorities which have been:

1. Recovery Curriculum: To ensure catch up planning and the recovery curriculum is well targeted to meet the needs of all pupils so that they have the confidence, knowledge and skills to progress.
2. Curriculum Excellence: To ensure that the school's 'Curriculum for All' is ambitious and prepares children for the 21st Century.
3. Vulnerable Pupils: Secure good progress for vulnerable pupils across the curriculum in both core and non-core subjects through ensuring that it is inclusive, accessible, engaging, maintains progression and this progression can be accurately assessed.
4. Equality & Diversity: Running through each of the first 3 core priorities this year is this additional development strand promoting the strong representation of all minority groups.

The school council continue to organise fund raising events across the year for charity, examples include through a readathon and baking event. They have also raised funds to purchase playground equipment and more books for the school library. This year they plan to raise funds to buy similar items.

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

Due to the Covid-19 pandemic the government withdrew the statutory end of year tests/assessments- therefore the usual academic results are unavailable. However internal school assessments of pupil achievement have been summarised below.

However, despite widespread national school closures & discontinuation of educational provision elsewhere, the Academy continued to remain open throughout this period. A full curriculum was delivered daily to all pupils not present in school virtually using an online learning platform, with daily feedback/support provided.

Academic Year Data

2020- 2021 Results taken from Teacher Assessments end of Summer 2021 *(latest national figure available for comparison: pre-pandemic 2019 figures)

Foundation Stage:

Reaching a "Good level of Development" (% Scoring 2+ in Areas of Learning 1-5)

Malcolm Sargent Achievement 67% National Achievement 71.6%*

Key Stage 1: Phonics Check Y1 results % working at/or above statutory screening check, MSS 68%, (*82.5%)

Key Stage 1: Phonics Check Y2, % working at/or above statutory screening check, MSS 94.0%, (*91%)

Key Stage 1:

Y2 Pupils:	Exceeding the National Standard	Greater Depth in the National Standard
Reading,	79%(75%)	47%(25%)
Writing,	73%(69%),	2%(15%)
Maths,	83%(76%),	18%(22%)
Combined Reading, Writing and Maths	72%(66%),	8%(11%)

Key Stage 2:

Y6 Pupils: Exceeding the National Standard Greater Depth in the National Standard

Reading,	82%(73%)	51%(28.1%)
Writing,	80% (78%)	12%(19.9%)
English Spelling,	78% (78%)	28% (34.4%)
Maths,	76% (79%)	26% (23.6%)
Combined Reading, Writing and Maths	64%(65%)	15%(11%)

Going concern

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

During this financial year Malcolm Sargent's trading arm Acorn Childcare Centre Limited has continued to trade. This organisation operates under Directors appointed by the trustees of the academy trust. Acorn Childcare Centre started trading from the 5th of September 2013, operating 51 weeks of the year. It has expanded during the year with a new building being added to site, which now provides a nursery setting with capacity for 24 babies, 24 toddlers and 48 pre-school children. Acorn centre staff also operate the Breakfast, Afterschool and Holiday Club. The Acorn Childcare Centre operates under a separate Ofsted registration. The finances from this operation are consolidated within these accounts.

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments including future capital projects and the nature of reserves.

The trustees have reviewed the resources of the academy trust and recognise the need to build up sufficient reserves in future years to be able to protect against future funding decreases and for future refurbishment works required at the school to be able to adequately cater for pupils.

The trustees have assessed the level of available free reserves and are confident that there are sufficient levels to meet current operational needs. The trustees keep reserves under review; currently this level is set at a minimum of £50,000.

COVID Related Income

During the year we received extra funding from the government in the form of "COVID Catch Up Grant", of £51,280. This money was used predominantly to:

- support pupils with remote learning, such as buying extra IT devices, & supporting teacher training
- provide high quality small group tuition, paying for extra staff time, & buying effective evidence based resources to support key aspects of reading, writing & maths acquisition.
- supporting the social, emotional & behavioural needs of the pupils- for example with a community "5-ways to well-being" focus.

The academy also received the COVID Winter Grant from the local authority to the value of £10,630; this was used to purchase vouchers to the same value and allocated to parents to support those disadvantaged pupils.

The academy has not accessed the Coronavirus Job Retention Scheme (CJRS). Our trading subsidiary the Acorn Childcare Centre has accessed the scheme in accordance with the scheme regulations.

Investment policy

The academy has not accumulated significant reserves, finances from the ESFA are utilised in year for the benefit of the children attending the academy and therefore there is no investment policy in place. The academy can hold cash balances and thereby technically can make investment decisions if they are appropriate. In the current economic climate the banks are unable to offer a significant return on the current cash balances.

Principal risks and uncertainties

Risks have been assessed by the governors and they confirm that there are no major risks at present. The Business Continuity and Risk Management Policy has just been reviewed and approved by the Governing Board. Principle risks faced by the academy include closure from fire or disaster, cuts in funding from the EFSA impacting on the whole school, which could seriously affect the viability or reputation of the academy. Systems and procedures are in place to minimize the risk. Internal controls are in place to reduce internal risks to the continuation of business, these are monitored and reviewed on a regular basis.

Fundraising

The Academy is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. The Malcolm Sargent Primary School does not use professional fundraisers and there have been no complaints received by the Academy about fund raising activities carried out by the Academy in the year.

THE MALCOLM SARGENT PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

Trustees have already prepared the objectives for the school development plan (SDP) for the current financial year. This will be reviewed at the full Governing Board meetings. Taking into account our developing understanding of the impact of the global pandemic upon our pupils & incorporating these into our plans to mitigate this impact as far as is practicable, Trustees plan to continue to improve:

1. Curriculum Excellence: Broad & strong with all subjects firmly embedded.
2. Developing subject leadership so they can talk with confidence about the area they are leading, have a good overview of outcomes across all year groups in order to act decisively to provide support or challenge practice.
3. Every child supported to Bounce Back: targeted & sustained support for those that need it- so that pupils are keeping up not catching up.
4. Wellbeing Equality and Diversity: Celebrating everyone's talents and differences while preparing all pupils for their future.

Auditor

In so far as the Trustees are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07/12/2021 and signed on its behalf by:



.....
K E Swanson
Chair of Governors

THE MALCOLM SARGENT PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The Trustee Board has delegated the day-to-day responsibility to the Principal, as accounting officer, he is responsible 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 Malcolm Sargent Primary School and the Secretary of State for Education. They are also responsible for reporting to the Trustee Board any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
K E Swanson (Chair of Governors)	5	5
T M Harris (Resigned 26 November 2020)	0	0
M Brewin	4	5
R A Butler (Resigned 31 August 2021)	5	5
T J Revell (Accounting Officer)	5	5
N Armstrong	5	5
S Gaunt	3	5
A Cross	5	5
C Stapling (Resigned 11 October 2021)	4	5
J Shaw	4	5
M Town	5	5
T Perkins	4	5
K Batkin (Appointed 29 January 2021)	3	3
J Flint (Appointed 25 March 2021)	2	2
L Steele (Appointed 7 July 2021)	1	1

In addition to the full trust board meetings the trust operates a committee structure which informs its insight into the performance of the academy by examining its operation in more detail. The standing committees of Curriculum, Finance & Stewardship, Audit, Staffing are informed by reports from the Principal, other senior leaders in the school, external advisory reports for example Health & Safety, Fire audits or Education advisory visits. These committees meet at least 3 times a year, and in the case of the Finance & Stewardship committee 5 times a year in order to maintain effective oversight of our trust's operations.

The board has assessed its own effectiveness through internal audit of its performance, carried out by professional audit firm Duncan & Topliss, and also informed by trustee survey. The board has been challenged by the need to sustain effective governance despite pandemic response measures limiting physical gatherings- but has met these by adopting virtual meetings as necessary. Further challenges have come about by the higher than expected turn-over of trustees, succession planning & support for new trustees or those taking on new roles has been increased accordingly.

The quality of the data used by the board has been high, and the board finds it acceptable because it is sourced from a wide variety of sources both from within/out of the school leadership team; and when challenged it is found to be robust & well evidenced.

THE MALCOLM SARGENT PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

As an established trust we regularly examine our own performance, at least annually, using the revised Academy Trust handbook as our baseline. The outcomes are:-

- The Membership of the trust has been revised: removing the Principal as a member and replacing with a non-Trustee, ensuring sufficient separation from the board. We will be then increasing the number of members from 3 to 5 by the end of the next academic year.
- The internal scrutiny programme throughout the academy year has included comprehensive internal audits by Duncan and Toplis (3 visit days), that covered 11 areas for scrutiny including governance amongst other areas. Out of the 14 governance areas tested there were no issues to be addressed as a matter of priority.
- The Annual Internal Scrutiny Report concluded that the trust has robust controls & procedures in place, is well managed (with the few issues addressed/responded to promptly) and an excellent understanding of what is required.

Attendance at the Finance & Stewardship meetings (all held remotely due to COVID restrictions) in the year was as follows:

Trustees	Meetings attended	Out of possible
K E Swanson (Chair of Governors)	5	5
T M Harris (Resigned 26 November 2020)	5	5
R A Butler (Resigned 31 August 2021)	5	5
T J Revell (Accounting Officer)	5	5
S Gaunt	4	5
A Cross	5	5

Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The school's latest DfE financial benchmark report gives the top 10% rating for best value for money.

The accounting officer for the academy trust has delivered improved value for money during the year by:

- improving pupil outcomes in Reading Writing and Maths- all subjects at least in the top 20% of schools nationally;
- continuing to reduce costs of using supply teacher agencies;
- effective staff deployment especially when covering for long term teacher/leader absence;
- identifying cost savings when purchasing resources.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Malcolm Sargent Primary School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

THE MALCOLM SARGENT PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees, through the Finance and Stewardship committee where the Audit Committee reports are shared.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustee Board;
- regular reviews by the Finance and Stewardship Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustee Board has considered the need for a specific internal audit function and has decided to appoint an internal auditor.

Our trust can confirm that the firm of professional internal auditors Duncan & Topliss has delivered their schedule of work as planned, and results have been reported to the board. There are no material control issues arising as a result of the internal auditor's work.

Review of effectiveness

As Accounting Officer, the Principal, T Revell has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- internal audit reports from governors;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 7/12/2021 and signed on its behalf by:

K E Swanson
Chair of Governors



T J Revell
Accounting Officer



THE MALCOLM SARGENT PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

T J Revell
Accounting Officer

7/12/2021

A handwritten signature in dark ink, appearing to read 'T J Revell', with a large, stylized initial 'T' and 'J'.

THE MALCOLM SARGENT PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of The Malcolm Sargent Primary School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 07/12/2021 and signed on its behalf by:



K E Swanson
Chair of Governors

THE MALCOLM SARGENT PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALCOLM SARGENT PRIMARY SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of The Malcolm Sargent Primary School (the 'charity') and its subsidiary for the year ended 31 August 2021 which comprise the Group statement of financial activities, the Group and Parent Charitable Company balance sheet, the Group statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust'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 Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE MALCOLM SARGENT PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALCOLM SARGENT PRIMARY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 academy trust, its subsidiary and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

THE MALCOLM SARGENT PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALCOLM SARGENT PRIMARY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <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.



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

15/12/2021
.....

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

THE MALCOLM SARGENT PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MALCOLM SARGENT PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 29 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Malcolm Sargent Primary School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Malcolm Sargent Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Malcolm Sargent Primary School and 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 Malcolm Sargent Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Malcolm Sargent Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Malcolm Sargent Primary School's funding agreement with the Secretary of State for Education dated 1 December 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

THE MALCOLM SARGENT PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MALCOLM SARGENT PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

Dated:

15/12/21

THE MALCOLM SARGENT PRIMARY SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	-	20,115	20,115	443,089
Charitable activities:						
- Funding for educational operations	4	41,036	3,216,720	-	3,257,756	2,905,389
Other trading activities	5	605,839	15,827	-	621,666	567,936
Investments	6	37	-	-	37	113
Total income and endowments		646,912	3,232,547	20,115	3,899,574	3,916,527
Expenditure on:						
Raising funds	7	447,019	-	-	447,019	501,804
Charitable activities:						
- Educational operations	8	49,005	3,349,438	108,975	3,507,418	3,309,130
Total expenditure	7	496,024	3,349,438	108,975	3,954,437	3,810,934
Net income/(expenditure)		150,888	(116,891)	(88,860)	(54,863)	105,593
Transfers between funds		17,670	(70,733)	53,063	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(248,000)	-	(248,000)	222,000
Net movement in funds		168,558	(435,624)	(35,797)	(302,863)	327,593
Reconciliation of funds						
Total funds brought forward		191,195	(906,000)	3,258,902	2,544,097	2,216,504
Total funds carried forward		359,753	(1,341,624)	3,223,105	2,241,234	2,544,097

THE MALCOLM SARGENT PRIMARY SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	443,089	443,089
Charitable activities:					
- Funding for educational operations	4	137,896	2,767,493	-	2,905,389
Other trading activities	5	562,490	5,446	-	567,936
Investments	6	113	-	-	113
Total income and endowments		700,499	2,772,939	443,089	3,916,527
Expenditure on:					
Raising funds	7	501,804	-	-	501,804
Charitable activities:					
- Educational operations	8	104,208	3,100,622	104,300	3,309,130
Total expenditure	7	606,012	3,100,622	104,300	3,810,934
Net income/(expenditure)		94,487	(327,683)	338,789	105,593
Transfers between funds		(102,673)	92,683	9,990	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	222,000	-	222,000
Net movement in funds		(8,186)	(13,000)	348,779	327,593
Reconciliation of funds					
Total funds brought forward		199,381	(893,000)	2,910,123	2,216,504
Total funds carried forward		191,195	(906,000)	3,258,902	2,544,097

THE MALCOLM SARGENT PRIMARY SCHOOL

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13		3,153		-
Tangible assets	14		3,219,952		3,258,902
			3,223,105		3,258,902
Current assets					
Debtors	17	161,610		146,727	
Cash at bank and in hand		511,828		310,809	
		673,438		457,536	
Current liabilities					
Creditors: amounts falling due within one year	18	(250,309)		(266,341)	
Net current assets			423,129		191,195
Net assets excluding pension liability			3,646,234		3,450,097
Defined benefit pension liability	21		(1,405,000)		(906,000)
Net assets			2,241,234		2,544,097
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			3,223,105		3,258,902
- Restricted income funds			63,376		-
- Pension reserve			(1,405,000)		(906,000)
Total restricted funds			1,881,481		2,352,902
Unrestricted income funds	20		359,753		191,195
Total funds			2,241,234		2,544,097

The accounts on pages 20 to 45 were approved by the Trustees and authorised for issue on 07/12/2021 and are signed on their behalf by:



K E Swanson

Chair of Governors

Company Number 07838151


THE MALCOLM SARGENT PRIMARY SCHOOL

BALANCE SHEET - CHARITY ONLY

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13		3,153		-
Tangible assets	14		3,211,416		3,250,999
Investments	16		10		10
			<u>3,214,579</u>		<u>3,251,009</u>
Current assets					
Debtors	17	257,526		216,317	
Cash at bank and in hand		380,819		193,609	
		<u>638,345</u>		<u>409,926</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(207,696)		(211,423)	
Net current assets			<u>430,649</u>		<u>198,503</u>
Net assets excluding pension liability			<u>3,645,228</u>		<u>3,449,512</u>
Defined benefit pension scheme liability	21	(1,405,000)		(906,000)	
Net assets			<u>2,240,228</u>		<u>2,543,512</u>
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			3,214,569		3,250,999
- Restricted income funds			63,376		-
- Pension reserve			(1,405,000)		(906,000)
Total restricted funds			<u>1,872,945</u>		<u>2,344,999</u>
Unrestricted income funds	20		<u>367,283</u>		<u>198,513</u>
Total funds			<u>2,240,228</u>		<u>2,543,512</u>

The accounts on pages 20 to 45 were approved by the Trustees and authorised for issue on 07/12/2021 and are signed on their behalf by:



K E Swanson

Chair of Governors

Company Number 07838151

THE MALCOLM SARGENT PRIMARY SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23		254,045		13,940
Cash flows from investing activities					
Dividends, interest and rents from investments		37		113	
Capital grants from DfE and other capital income		20,115		443,089	
Purchase of intangible fixed assets		(3,712)		-	
Purchase of tangible fixed assets		(69,466)		(453,079)	
Net cash used in investing activities			(53,026)		(9,877)
Net increase in cash and cash equivalents in the reporting period			201,019		4,063
Cash and cash equivalents at beginning of the year			310,809		306,746
Cash and cash equivalents at end of the year			511,828		310,809

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Malcolm Sargent Primary School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

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

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

Donations

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

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	3 years straight line
-----------------------------	-----------------------

1.6 Tangible fixed assets and depreciation

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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land & buildings	50, 25 or 5 years straight line
Leasehold property	Over the lease term
IT equipment	3 or 5 years straight line
Fixtures, fittings & equipment	5 years straight line

No depreciation is provided in respect of freehold land.

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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 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.

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

Designated funds are where the governors have ring fenced unrestricted income for specific projects.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	8,797	8,797	431,833
Capital grants	-	11,318	11,318	11,256
	-	20,115	20,115	443,089

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,441,250	2,441,250	2,236,500
Other DfE / ESFA grants:				
UIFSM	-	116,500	116,500	120,433
Pupil premium	-	108,640	108,640	111,480
Teachers pay grants	-	116,353	116,353	115,843
PE and sports premium	-	21,620	21,620	21,250
Others	2,000	14,650	16,650	10,069
	<u>2,000</u>	<u>2,819,013</u>	<u>2,821,013</u>	<u>2,615,575</u>
Other government grants				
Local authority grants	-	305,096	305,096	129,006
Exceptional government funding				
Coronavirus job retention scheme grant	9,112	-	9,112	81,107
ESFA Coronavirus exceptional support	-	51,280	51,280	7,777
Local authority Coronavirus exceptional support	-	10,630	10,630	-
	<u>9,112</u>	<u>61,910</u>	<u>71,022</u>	<u>88,884</u>
Other funding				
Other incoming resources	29,924	30,701	60,625	71,924
Total funding	<u>41,036</u>	<u>3,216,720</u>	<u>3,257,756</u>	<u>2,905,389</u>

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

- The funding received for ESFA coronavirus exceptional support covers £51,280 (2020: £7,777) of additional costs. These costs are included in notes 7 and 8 below as appropriate.

- The subsidiary company furloughed some of its staff under the government's CJRS. The funding received of £9,112 (2020: £81,107) relates to staff costs which are included within note 10 below as appropriate.

- The funding received for local authority coronavirus funding covers £10,630 (2020: £Nil) of additional costs. These costs are included in notes 7 and 8 below as appropriate.

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lettings	-	-	-	(15,920)
Catering income	3,874	-	3,874	36,484
Income from trading subsidiary	601,965	-	601,965	541,926
Other income	-	15,827	15,827	5,446
	<u>605,839</u>	<u>15,827</u>	<u>621,666</u>	<u>567,936</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	<u>37</u>	<u>-</u>	<u>37</u>	<u>113</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	447,019	447,019	501,804
Academy's educational operations					
- Direct costs	2,229,227	-	142,780	2,372,007	2,196,316
- Allocated support costs	638,227	288,774	208,410	1,135,411	1,112,814
	<u>2,867,454</u>	<u>288,774</u>	<u>798,209</u>	<u>3,954,437</u>	<u>3,810,934</u>

Net expenditure for the year includes:

	2021 £	2020 £
Fees payable to auditor for audit services	7,300	7,000
Depreciation of tangible fixed assets	108,975	104,300
Net interest on defined benefit pension liability	<u>14,000</u>	<u>19,000</u>

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	29,368	2,342,639	2,372,007	2,196,316
Support costs				
Educational operations	19,637	1,115,774	1,135,411	1,112,814
	<u>49,005</u>	<u>3,458,413</u>	<u>3,507,418</u>	<u>3,309,130</u>

Analysis of costs

	2021 £	2020 £
Direct costs		
Teaching and educational support staff costs	2,229,227	2,049,204
Staff development	15,361	10,351
Technology costs	26,197	29,298
Educational supplies and services	60,319	43,745
Other direct costs	40,903	63,718
	<u>2,372,007</u>	<u>2,196,316</u>
Support costs		
Support staff costs	641,881	604,651
Depreciation	108,975	104,300
Maintenance of premises and equipment	72,786	51,597
Rent, rates and other occupancy costs	81,105	77,842
Insurance	25,908	28,438
Catering	117,680	148,155
Finance costs	14,000	19,000
Legal costs	7,325	8,604
Other support costs	58,451	63,227
Governance costs	7,300	7,000
	<u>1,135,411</u>	<u>1,112,814</u>

9 Governance costs

	Total 2021 £	Total 2020 £
All from restricted funds:		
Amounts included in support costs		
Legal costs	7,325	8,604
Auditor's remuneration		
- Audit of financial statements	7,300	7,000
	<u>14,625</u>	<u>15,604</u>

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	2,013,454	1,879,961
Social security costs	162,456	148,189
Pension costs	688,419	623,546
Staff costs - employees	2,864,329	2,651,696
Agency staff costs	3,125	368
Staff development and other staff costs	2,867,454 19,015	2,652,064 12,142
Total staff expenditure	2,886,469	2,664,206

Staff numbers

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

	2021 Number	2020 Number
Teachers	28	29
Administration and support	80	81
Management	7	8
	115	118

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £446,568 (2020: £492,425).

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees.

The value of trustees' remuneration and other benefits was as follows:

T Revell (principal and governor)

Remuneration £90,000 - £95,000 (2020: £85,000 - £90,000)

Employer's pension contributions £20,000 - £25,000 (2020: £20,000 - £25,000)

M Town (staff governor)

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

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

During the year ended 31 August 2021, expenses totalling £Nil were reimbursed to staff governors in relation to their role as governor (2020: £Nil).

12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2020	-
Additions	3,712
At 31 August 2021	3,712
Amortisation	
At 1 September 2020	-
Charge for year	559
At 31 August 2021	559
Carrying amount	
At 31 August 2021	3,153
At 31 August 2020	-

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

Group	Freehold land & buildings £	Leasehold property £	IT equipment £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 September 2020	3,609,526	69,316	67,468	86,077	3,832,387
Additions	-	-	32,195	37,271	69,466
At 31 August 2021	3,609,526	69,316	99,663	123,348	3,901,853
Depreciation					
At 1 September 2020	412,922	69,316	50,507	40,740	573,485
Charge for the year	77,720	-	13,697	16,999	108,416
At 31 August 2021	490,642	69,316	64,204	57,739	681,901
Net book value					
At 31 August 2021	3,118,884	-	35,459	65,609	3,219,952
At 31 August 2020	3,196,604	-	16,961	45,337	3,258,902
Charity					
	Freehold land & buildings £	Leasehold property £	IT equipment £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 September 2020	3,609,526	69,316	63,687	74,224	3,816,753
Additions	-	-	30,305	37,271	67,576
At 31 August 2021	3,609,526	69,316	93,992	111,495	3,884,329
Depreciation					
At 1 September 2020	412,922	69,316	48,462	35,054	565,754
Charge for the year	77,720	-	13,405	16,034	107,159
At 31 August 2021	490,642	69,316	61,867	51,088	672,913
Net book value					
At 31 August 2021	3,118,884	-	32,125	60,407	3,211,416
At 31 August 2020	3,196,604	-	15,225	39,170	3,250,999

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Financial instruments

	2021 £	2021 £	2020 £	2020 £
	Group	Charity	Group	Charity
Carrying amount of financial assets				
Trade debtors	3,224	-	31,461	-
Other debtors	-	-	4,910	-
Bank and cash	511,828	380,819	310,809	193,609
	<u>515,052</u>	<u>380,819</u>	<u>347,180</u>	<u>193,609</u>
Carrying amount of financial liabilities				
Trade creditors	73,258	65,804	71,169	66,376
Other creditors	2,694	167	2,261	-
Accruals	31,775	35,727	40,862	24,180
	<u>107,727</u>	<u>101,698</u>	<u>114,292</u>	<u>90,556</u>

16 Fixed asset investments Charity

	Total £
Historical cost:	
At 31 August 2021	10
At 31 August 2020	<u>10</u>

On 23 April 2013, Acorn Childcare Centre Limited was incorporated and became a wholly owned subsidiary of the academy. The company commenced trading as Acorn Nursery on 5 September 2013, the principal activity being the provision of childcare.

17 Debtors

	2021 £	2021 £	2020 £	2020 £
	Group	Charity	Group	Charity
Trade debtors	3,224	-	32,090	-
Amounts owed by group undertakings	-	135,000	-	119,316
VAT recoverable	20,342	20,342	16,944	16,944
Other debtors	-	-	4,910	-
Prepayments and accrued income	138,044	102,184	92,783	80,057
	<u>161,610</u>	<u>257,526</u>	<u>146,727</u>	<u>216,317</u>

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Creditors: amounts falling due within one year

	2021 £ Group	2021 £ Charity	2020 £ Group	2020 £ Charity
Trade creditors	73,258	65,804	71,169	66,376
Other taxation and social security	41,741	37,163	37,626	33,909
Other creditors	2,694	167	2,261	-
Accruals and deferred income	132,616	104,562	155,285	111,138
	<u>250,309</u>	<u>207,696</u>	<u>266,341</u>	<u>211,423</u>

19 Deferred income Group

	2021 £	2020 £
Deferred income is included within: Creditors due within one year	<u>100,841</u>	<u>114,423</u>
Deferred income at 1 September 2020	114,423	132,030
Released from previous years	(114,423)	(132,030)
Amounts deferred in the year	<u>100,841</u>	<u>114,423</u>
Deferred income at 31 August 2021	<u>100,841</u>	<u>114,423</u>

Charity

	2021 £	2020 £
Deferred income is included within: Creditors due within one year	<u>68,835</u>	<u>86,958</u>
Deferred income at 1 September 2020	86,958	96,549
Released from previous years	(86,958)	(96,549)
Amounts deferred in the year	<u>68,835</u>	<u>86,958</u>
Deferred income at 31 August 2021	<u>68,835</u>	<u>86,958</u>

Deferred income relates to funds received in advance for school trips taking place after the balance sheet date, payments in advance for sessions at the nursery in September 2021, and grant funding for the following academic year.

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	2,441,250	(2,322,921)	(54,953)	63,376
UIFSM	-	116,500	(116,500)	-	-
Pupil premium	-	108,640	(108,640)	-	-
Teachers pay grants	-	116,353	(116,353)	-	-
PE and sports premium	-	21,620	(21,620)	-	-
Other DfE / ESFA grants	-	14,650	(14,650)	-	-
Other government grants	-	305,096	(289,316)	(15,780)	-
ESFA Coronavirus exceptional support	-	51,280	(51,280)	-	-
Local authority Coronavirus exceptional support	-	10,630	(10,630)	-	-
Other restricted funds	-	46,528	(46,528)	-	-
Pension reserve	(906,000)	-	(251,000)	(248,000)	(1,405,000)
	<u>(906,000)</u>	<u>3,232,547</u>	<u>(3,349,438)</u>	<u>(318,733)</u>	<u>(1,341,624)</u>
Restricted fixed asset funds					
DfE group capital grants	-	11,318	-	(11,318)	-
Capital expenditure from GAG	3,250,999	-	(107,718)	71,288	3,214,569
Assets donated to Academy	-	8,797	-	(8,797)	-
Subsidiary company assets	7,903	-	(1,257)	1,890	8,536
	<u>3,258,902</u>	<u>20,115</u>	<u>(108,975)</u>	<u>53,063</u>	<u>3,223,105</u>
Total restricted funds	<u>2,352,902</u>	<u>3,252,662</u>	<u>(3,458,413)</u>	<u>(265,670)</u>	<u>1,881,481</u>
Unrestricted funds					
General funds	174,905	8,961	(24,331)	183,940	343,475
School fund	22,602	24,874	(24,102)	-	23,374
School council	1,006	-	(572)	-	434
Acorn nursery	(7,318)	613,077	(447,019)	(166,270)	(7,530)
	<u>191,195</u>	<u>646,912</u>	<u>(496,024)</u>	<u>17,670</u>	<u>359,753</u>
Total funds	<u>2,544,097</u>	<u>3,899,574</u>	<u>(3,954,437)</u>	<u>(248,000)</u>	<u>2,241,234</u>

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

(Continued)

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

Fixed asset funds

The fixed asset fund represents the book value of fixed assets held by the academy, which are attributable to the core educational operations of the academy.

Restricted general funds

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

Designated funds

The funds are designated for the specific activities undertaken by the School Fund, School Council and Acorn Nursery.

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	2,236,500	(2,329,183)	92,683	-
Other DfE / ESFA grants	-	379,075	(379,075)	-	-
Other government grants	-	136,783	(136,783)	-	-
Other restricted funds	-	20,581	(20,581)	-	-
Pension reserve	(893,000)	-	(235,000)	222,000	(906,000)
	<u>(893,000)</u>	<u>2,772,939</u>	<u>(3,100,622)</u>	<u>314,683</u>	<u>(906,000)</u>
Restricted fixed asset funds					
DfE group capital grants	-	11,256	-	(11,256)	-
Capital expenditure from GAG	2,900,987	431,833	(103,067)	21,246	3,250,999
Subsidiary company assets	9,136	-	(1,233)	-	7,903
	<u>2,910,123</u>	<u>443,089</u>	<u>(104,300)</u>	<u>9,990</u>	<u>3,258,902</u>
Total restricted funds	<u>2,017,123</u>	<u>3,216,028</u>	<u>(3,204,922)</u>	<u>324,673</u>	<u>2,352,902</u>
Unrestricted funds					
General funds	183,641	25,700	(51,077)	16,641	174,905
School fund	23,444	50,813	(51,655)	-	22,602
School council	1,529	953	(1,476)	-	1,006
Acorn nursery	(9,233)	623,033	(501,804)	(119,314)	(7,318)
	<u>199,381</u>	<u>700,499</u>	<u>(606,012)</u>	<u>(102,673)</u>	<u>191,195</u>
Total funds	<u>2,216,504</u>	<u>3,916,527</u>	<u>(3,810,934)</u>	<u>222,000</u>	<u>2,544,097</u>

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire 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 that 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.

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 the TPS in the period amounted to £260,571 (2020 - £253,489).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.8% for employers and 5.5 to 6.5% for employees.

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

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations	(Continued)	
Total contributions made	2021	2020
	£	£
Employer's contributions	192,000	159,000
Employees' contributions	53,000	47,000
Total contributions	245,000	206,000
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.2	2.5
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:		
	2021	2020
	Years	Years
Retiring today		
- Males	21.5	21.4
- Females	23.8	23.7
Retiring in 20 years		
- Males	22.5	22.4
- Females	25.3	25.2
Scheme liabilities would have been affected by changes in assumptions as follows:		
	2021	2020
0.5% decrease in Real Discount Rate	520,000	354,000
0.5% increase in the Salary Increase Rate	35,000	16,000
0.5% increase in the Pension Increase Rate	480,000	333,000
The academy trust's share of the assets in the scheme	2021	2020
	Fair value	Fair value
	£	£
Equities	1,756,000	1,277,880
Bonds	348,000	370,400
Cash	93,000	18,520
Property	253,000	185,200
Total market value of assets	2,450,000	1,852,000

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

The actual return on scheme assets was £407,000 (2020: £(90,000)).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	428,000	375,000
Interest income	(33,000)	(35,000)
Interest cost	47,000	54,000
Administration expenses	1,000	-
Total operating charge	443,000	394,000

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	2,758,000	2,660,000
Current service cost	428,000	375,000
Interest cost	47,000	54,000
Employee contributions	53,000	47,000
Actuarial loss/(gain)	622,000	(347,000)
Benefits paid	(53,000)	(31,000)
At 31 August 2021	3,855,000	2,758,000

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

	2021 £	2020 £
At 1 September 2020	1,852,000	1,767,000
Administration expenses	(1,000)	-
Interest income	33,000	35,000
Actuarial (gain)/loss	374,000	(125,000)
Employer contributions	192,000	159,000
Employee contributions	53,000	47,000
Benefits paid	(53,000)	(31,000)
At 31 August 2021	2,450,000	1,852,000

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Analysis of net assets between funds

Group	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	3,153	3,153
Tangible fixed assets	-	-	3,219,952	3,219,952
Current assets	418,146	255,292	-	673,438
Creditors falling due within one year	(58,393)	(191,916)	-	(250,309)
Defined benefit pension liability	-	(1,405,000)	-	(1,405,000)
	<u>359,753</u>	<u>(1,341,624)</u>	<u>3,223,105</u>	<u>2,241,234</u>
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	3,258,902	3,258,902
Current assets	263,460	194,076	-	457,536
Creditors falling due within one year	(72,265)	(194,076)	-	(266,341)
Defined benefit pension liability	-	(906,000)	-	(906,000)
	<u>191,195</u>	<u>(906,000)</u>	<u>3,258,902</u>	<u>2,544,097</u>
	£	£	£	£

23 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(54,863)	105,593
Adjusted for:		
Capital grants from DfE and other capital income	(20,115)	(443,089)
Investment income receivable	(37)	(113)
Defined benefit pension costs less contributions payable	237,000	216,000
Defined benefit pension scheme finance cost	14,000	19,000
Depreciation of tangible fixed assets	108,975	104,300
(Increase)/decrease in debtors	(14,883)	42,247
(Decrease) in creditors	(16,032)	(29,998)
Net cash provided by operating activities	<u>254,045</u>	<u>13,940</u>

THE MALCOLM SARGENT PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	310,809	201,019	511,828

25 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	1,975	7,901
Amounts due in two and five years	-	1,975
	1,975	9,876

26 Related party transactions

Charity

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. There have been no transactions during the year.

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

Included within the charity income is £45,160 (2020: £45,316) recharged to the subsidiary company, Acorn Childcare Centre Limited.

Included within the charity expenditure is £15,780 (2020: £Nil) recharged from the subsidiary company, Acorn Childcare Centre Limited.

There has been a £135,000 (2020: £74,000) donation from Acorn Childcare Centre Limited during the year.

At the year end, £135,000 (2020: £119,319) is included within debtors due from Acorn Childcare Centre Limited and £15,780 (2020: £Nil) is included within creditors due to Acorn Childcare Centre Limited.

27 Members' liability

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