

Company Registration Number: 07667168 (England & Wales)

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs J Bradbury, Deanery Synod Mrs J Lockett, Head Teacher (ceased to be a member 2 December 2020) Rev'd A Evans, Incumbent of Walmley Parish Church/Diocesan Board Representative of Birmingham Church of England Reverend Ann Richardson, Area Dean (appointed 2 December 2020) Mrs H Patel, Diocesan Board (appointed 2 December 2020, resigned 7 July 2021) Mrs R Boon, Diocesan Board (appointed 22 September 2021)
Trustees	Mrs J Bradbury, (resigned as Chair on 22.09.21) Deanery Synod ¹ Mr A Hewston, Deanery Synod Mr M O'Hara, Deanery Synod (resigned 31 March 2021) Mr N Snowdon, Deanery Synod (resigned 23 September 2020) ¹ Rev'd B Cook, Incumbent of Walmley Parish Church/Diocesan Board Rev'd A Evans, Incumbent of Walmley Parish Church Mrs R Boon, Chair, (appointed as Chair on 22.09.21) Diocesan Board ¹ Mrs H Patel, Diocesan Board (resigned 7 July 2021) ¹ Mrs H Williams, Diocesan Board Mrs J Lockett, Head Teacher / Principal ¹ Mrs R Armstrong, Elected Parent Mr L Causer, Elected Parent (resigned 30 November 2021) ¹ Mr M Mason, Elected Parent ¹ Mrs N Allison, Staff (support) ¹ Mrs E Hickling, Staff (teaching) Mrs P Wardropper, Staff (teaching) (appointed 23 September 2020) Mrs C Rose, PCC (resigned 31 March 2021) Mrs B Mandley, PCC (appointed 1 December 2021) Mr D Taylor, Deanery Synod (appointed 1 December 2021) ¹ Member of the Finance and Operations Committee
Company registration number	07667168
Company name	Deanery Church of England Primary School
Principal and registered office	14 Fox Hollies Road Sutton Coldfield B76 2RD
Company secretary	Mrs N Allison
Senior management team	Mrs J Lockett, Head Teacher Mrs K Cullen, Deputy Head Teacher Miss A Morris, Deputy Head Teacher Mrs N Allison, Business Manager Mrs J Griffiths, SENco and Inclusion Manager

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
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Bankers	The Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RF
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DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

Deanery Church of England Primary School, a Church of England School, operates as an Academy Trust for pupils aged 3 to 11. The pupils are drawn from families living and worshipping within the 14 parish churches of the Old Deanery of Sutton Coldfield, and the local area in accordance with the published admission criteria. The school has a pupil capacity of 472 and currently has 459 pupils enrolled based on the 7 October 2021 Census.

Structure, governance and management

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a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing document of the Academy. The Trustees of Deanery Church of England Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Deanery Church of England Primary School.

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

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one 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.

c. Trustees' indemnities

The Trustees benefit from indemnity insurance purchased by the Academy Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Academy Trust business. The limit of this indemnity is £25,000,000.

d. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- a) 11 church trustees –
 - 5 appointed by the Diocesan Board of Education
 - 4 appointed by the Deanery Synod
 - 1 appointed by the PCC of St John the Evangelist, Walmley
 - The incumbent of the Ecclesiastical Parish of Walmley
- b) Up to 3 staff trustees – 2 teachers, 1 support staff
- c) Up to 3 parent trustees
- d) Up to 2 appointed trustees
- e) The Headteacher who is treated for all purposes as being an ex-officio Trustee

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates. As there are normally only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual.

The academy purchases support from School and Governor Support at Birmingham Local Authority. Support is also offered from The Church of England Birmingham who provide regular courses and training for Trustees. Courses and training are also offered by Birmingham Local Authority and other training providers and the Clerk informs each trustee about these. All newly appointed and elected trustees are invited to observe the working of all sub-committees before deciding which committee they could best serve.

Trustees are kept up to date with their legislative obligations and good practise through the above support services and by the Clerk to the Governing Body who attends regular courses. The implementation of The Trust Governor Portal has centralised all Governing Body documentation; giving all trustees a central point for training details, all Governing Body and Committee meeting documentation and all statutory documents.

f. Organisational structure

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet four times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 Committees of the Board of Trustees as follows:

- Finance and Operations Committee
- Standards Committee
- Admissions Committee
- Pay Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Headteacher. The SLT comprises the Headteacher, Deputy Headteacher(s), Inclusion Manager and the School Business Manager. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

A Financial Consultant undertakes regular independent audits and reports to the Head Teacher and the Governing Body. The Governing Body approves the statutory accounts. The levels of authorisation of budget spend are detailed in the 'Structure of Financial Management of the Head Teacher' reviewed by the Governing Body annually.

A school evaluation is undertaken annually by the Senior Management Team and Governors who are chairs of the main sub-committees. This is fed into the School Improvement Plan (SIP) which is discussed with all staff. The SIP is then developed and links into the budgeting process. The SIP is reviewed by the Standards Committee and approved by the full Governing Body. The Standards Committee reviews the progress of the plan as part of their regular work and uses a self-evaluation process which is conducted at the beginning of each academic year.

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy. Details of Trustees' remuneration and expenses are disclosed in note 10 of the financial statements.

The pay of the Headteacher is reviewed annually by the Board of Trustees based on the annual performance management process for the Headteacher and in line the Academy's pay and remuneration policy, which includes a set point scale for the role.

The pay of the other members of the senior management team is also reviewed annually the Pay Committee in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff and the annual performance management process adopted by the Academy.

h. Employee involvement and employment of the disabled

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. Trade Union Facility Time

There are no employees who elect to act as union officials during the course of their work and therefore the time spent on these activities is 0%.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Sutton Coldfield and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances 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.

At the Deanery we believe that:

- everything we do is a faithful response to God's faithfulness, shown to us through Jesus Christ. Our vision is to reflect Gods Glory in every season of life, in all aspects, from the little things, to the big.
- God's heart is for his children to thrive in a happy, secure and caring environment at the Deanery. It is an essential part of our Christian ethos that we thank God for how he has demonstrated peace, love, faith, joy, grace and hope to us. We seek to reflect these core values throughout all areas of life in the school.
- education, strengthened by our faith, is the vehicle with which children can achieve their full potential.

At the Deanery we aim to provide opportunities and experiences for everyone to learn and develop their social, creative and academic skills within a motivating and stimulating environment.

The aims of the Academy Trust during the year ended 31 August 2021 are summarised below:

- Foster an environment that is enriched spiritually, morally, ethically and socially through the Christian faith.
- Value each child as unique, regardless of faith, ability, gender or ethnicity.
- Nurture children to be polite, respectful and considerate towards one another. Offer a range of opportunities and experiences to develop their confidence, self-esteem and independence.
- Encourage each child to fulfil their individual potential within all areas of the curriculum.
- Promote knowledge and understanding through a secure, stimulating and enriched environment.
- Create a broad educational experience that is enriched both morally and spiritually through partnership with staff, governors, parents, the local community, parishes of the Deanery and Birmingham Diocese.
- To enable each child to value themselves and have aspirations for the future.
- To recognise everyone's place in the wider community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the period are contained in the Academy Trust's Improvement Plan which is available from the Head Teacher. The key activities of the Academy Trust for the year ended 31 August 2021 were focused as follows:

- To close the education gap created under lockdown to ensure all children achieve their potential
- To increase the opportunity and experiences of our youngest children to learn outside through a redesigned and updated outside environment. This will include a canopy or covered area outside reception class and year one, and associated learning spaces.
- To continue to review curriculum design and development to reflect the requirements of the new Ofsted framework to ensure our ambitious curriculum provides all children with the knowledge and skills they need to succeed.
- To prioritise reading across the curriculum

COVID-19 restrictions for the second year negatively affected the ability to undertake certain aspects of school development. Work on the Early Years outside environment was slightly delayed and commenced summer 2021 and will be concluded at the end of September 2021.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Sutton Coldfield and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Key performance indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves carried forward. At 31 August 2021, the balance of the unrestricted and restricted income reserves was £510,000 (2020: £561,000), which is after transfers of £71,000 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 459 which is an increase of 0.2% from the previous year's census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 86% (2020: 85%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 86% (2020: 85%).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

c. Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever changing educational environment. The Trust is in its 10th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2021 was 459 compared to 458 in the previous year. Our pre-school nursery has a capacity of 52 pupils however we currently have 39 pupils enrolled, compared to 38 in the previous year.

The Academy Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

Due to COVID-19, all statutory school assessments were cancelled for the second year. This includes EYFS assessments, the phonics check in year 1 and recheck in year 2, statutory tests at the end of year 6 (KS2) and teacher assessments at the end of year 2 (KS1). Performance data for 2018-2019 will be used by government departments. All school data has been higher than the national average for a number of years.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of reserves should be approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. These reserves will typically be held in a combination of restricted funds and unrestricted funds, with the unrestricted funds representing the Academy Trust's free reserves.

The Academy Trust's current level of reserves at 31 August 2021 is a deficit of £2,395,000 (2020: deficit of £1,944,000), of which £510,000 (2020: £561,000) is revenue reserves (that is, total funds less the amount held in the restricted fixed asset funds and restricted pension reserve funds) and of which £347,000 (2020: £393,000) is represented by free reserves.

Although the current level of revenue reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund the ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years.

The value of the restricted fixed asset fund at 31 August 2021 is £174,000 (2020: £106,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The pension reserve fund has a deficit balance at 31 August 2021 of £3,079,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Addendums have been added to policies in light of COVID requirements and shared with all stakeholders.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA and the Local Authority. In the year, approximately 88% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in to the National Funding Formula for schools.

During the year Covid-19 continued to have a significant impact on the Academy's ability to generate private income however as we come out of the pandemic it is predicted that private income for 2021-22 will return to previous levels. The Trustees will continue to review the impact of financial health at each termly meeting.

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FOR THE YEAR ENDED 31 AUGUST 2021

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees review the financial health of the Academy Trust formally every term, reviewing performance against budgets and receiving update reports from the Finance and Operations Committee. The Finance and Operations Committee also review the financial performance and position of the Academy Trust six times a year, reviewing the latest management accounts and reports from the Chief Financial Officer, while the Chair of Trustees also receives and reviews the monthly management accounts each month.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Training under recent COVID restrictions has taken the form of online support. New staff continue to be supported by an experienced year group partner and phase leaders.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Chase House Education to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

d. Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2021, the Academy Trust's total income (excluding capital grants) was £2,228,000 (2020: £2,150,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £2,208,000 (2020: £2,124,000), resulting in a net operating surplus for the year of £20,000 (2020: £26,000).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

This net operating surplus has been achieved despite the general funding pressures, additional pressures from loss of income due to Covid-19 and increased staffing related costs incurred in the year. This has been due to the tight expenditure control implemented by management and the Trustees during the year. Covid-19 has had a significant impact on private income generated by the school, however the use of the Coronavirus Job Retention Scheme and savings in overheads resulting from the school closure have minimised this loss.

The balance of reserves at 31 August 2021, excluding the restricted fixed asset funds and LGPS liability fund was £510,000 (2020: £561,000).

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £3,079,000 (2020: £2,611,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 21 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the academy's budget.

Fundraising

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. However, during the year ending 31 August 2021, the Academy Trust has not undertaken any material fundraising activities due to Covid-19.

Fundraising is primarily undertaken by staff or parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust.

The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the trust would be applicable if so.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the skills, knowledge and experiences necessary to flourish in their next stages of education. Supporting them to gain the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- To ensure every child becomes a fluent reader – children can read at speed and understand and enjoy the text they are reading, reading is at the heart of the curriculum.
- To continue to develop a curriculum that is sequenced and builds on prior knowledge and learning
- To review current behaviour principles and policies
- To deepen staffs understanding of mental health and wellbeing
- The new EYFS outdoor learning environment is effective in developing and enhancing children's learning across all curriculum areas
- The new SSP is effective in raising standards of phonics and early reading

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

Disclosure of information to 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
- that 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 1 December 2021 and signed on its behalf by:



Mrs R Boon
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Deanery Church Of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year. Due to the Covid-19 outbreak, Trustees also arranged one additional extraordinary meeting which was held virtually.

Attendance during the year at meetings of the board of Trustees was as follows:

* denotes member of finance committee

Trustee	Meetings attended	Out of a possible
Mrs J Bradbury * (Chair), (resigned as Chair on 22.09.21) Deanery Synod	5	5
Mr A Hewston, Deanery Synod	4	5
Mr M O'Hara, Deanery Synod	3	4
Mr N Snowdon*, Deanery Synod	0	1
Rev'd B Cook, Diocesan Board	4	5
Rev'd A Evans, Incumbent of Walmley Parish Church	4	5
Mrs R Boon, Chair*, Diocesan Board	5	5
Mrs H Patel*, Diocesan Board	4	5
Mrs H Williams, Diocesan Board	3	5
Mrs J Luckett*, Head Teacher / Principal	5	5
Mrs R Armstrong, Elected Parent	4	5
Mr L Causer*, Elected Parent	3	5
Mr M Mason*, Elected Parent	5	5
Mrs C Rose, PCC	0	4
Mrs N Allison*, Staff (support)	5	5
Mrs E Hickling, Staff (teaching)	5	5
Mrs P Wardropper*, Staff (teaching)	4	5
Mrs B Mandley, PCC	0	0

The full board had planned to meet four times in the year and this coupled with the three finance meetings gives sufficient oversight.

The Finance and Operations Committee is a sub-committee of the Governing Body and it's purpose is to monitor progress and evaluate the effectiveness of the priorities allocated to the committee within the School Improvement Plan. This includes the review of the financial health of the Academy Trust, monitoring performance against budgets on a termly basis. The Finance and Operations Committee also review the management accounts six times a year and the Chair of the Governing Body reviews the management accounts every month to ensure effective oversight of funds.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Operations Committee has met formally 3 times during the year.

Attendance during the year at meetings of the Finance and Operations Committee was as follows:

Trustee	Meetings attended	Out of a possible
Mrs H Patel, Chair	3	3
Mrs N Allison	3	3
Mrs R Boon	3	3
Mrs J Bradbury	2	3
Mr L Causer	3	3
Mrs J Lockett	3	3
Mr M Mason	1	3
Mr N Snowdon	0	0
Mrs P Wardropper	3	3

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring strong financial management and efficient staffing resourcing, to deliver consistently high levels of educational outcomes for our pupils. The staffing structure is regularly reviewed and contracts are managed to ensure that resources are spent as efficiently as possible.
- Carrying out monthly financial reviews and regular financial self-assessments with the School Business Manager to ensure that financial oversight and governance is at the centre of every decision and providing regular reports to the Trustees for review. The school also benefits from the provision of a suitably qualified Responsible Officer who reviews key financial policies, systems and procedures on a termly basis.
- Business planning and collaborating with other schools through the Learning Trust for Excellence, sharing best practice and carrying out financial benchmarking to inform our decision making.
- Ensuring that the use of the academy trust's resources throughout the Covid-19 pandemic have continued to provide value for money, with a continued focus on financial controls and managing risk.

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 Deanery Church Of England Primary School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Chase House Education Services Limited to undertake internal audit services. .

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

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

Review of effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 1 December 2021 and signed on their behalf by:


Mrs R Boon
Chair of Trustees

Mrs J Luckett
Accounting Officer 

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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.



Mrs J Lockett
Accounting Officer
Date: 1 December 2021

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 1 December 2021 and signed on its behalf by:



Mrs R Boon
Chair of Trustees

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL**

Opinion

We have audited the financial statements of Deanery Church Of England Primary School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL (CONTINUED)**

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL (CONTINUED)**

Use of our report

This report is made solely to the academy trust'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 academy trust'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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Ltd.

Glen Bott FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

One Central Boulevard

Blythe Valley Business Park

Solihull

West Midlands

B90 8BG

Date: 9 December 2021

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 October 2019 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 Deanery Church Of England Primary School during the year 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 Deanery Church Of England Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Deanery Church Of England 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 Deanery Church Of England Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Deanery Church Of England Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Deanery Church Of England Primary School's funding agreement with the Secretary of State for Education dated 1 August 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 year 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.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DEANERY
CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

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 our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.



Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 9 December 2021

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	-	11	64	75	20
Charitable activities		207	1,991	-	2,198	2,117
Other trading activities		19	-	-	19	22
Total income		226	2,002	64	2,292	2,159
Expenditure on:						
Charitable activities		201	2,172	67	2,440	2,292
Total expenditure		201	2,172	67	2,440	2,292
Net income/(expenditure)		25	(170)	(3)	(148)	(133)
Transfers between funds	15	(71)	-	71	-	-
Net movement in funds before other recognised gains/(losses)		(46)	(170)	68	(148)	(133)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(303)	-	(303)	(601)
Net movement in funds		(46)	(473)	68	(451)	(734)
Reconciliation of funds:						
Total funds brought forward		393	(2,443)	106	(1,944)	(1,210)
Net movement in funds		(46)	(473)	68	(451)	(734)
Total funds carried forward		347	(2,916)	174	(2,395)	(1,944)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 49 form part of these financial statements.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07667168

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	12		174		106
Current assets					
Debtors	13	133		76	
Cash at bank and in hand		543		635	
		<u>676</u>		<u>711</u>	
Creditors: amounts falling due within one year	14	(166)		(150)	
Net current assets			510		561
Total assets less current liabilities			<u>684</u>		<u>667</u>
Net assets excluding pension liability			684		667
Defined benefit pension scheme liability	21		(3,079)		(2,611)
Total net liabilities			<u>(2,395)</u>		<u>(1,944)</u>
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	15	174		106	
Restricted income funds	15	163		168	
Pension reserve	15	(3,079)		(2,611)	
Total restricted funds	15		(2,742)		(2,337)
Unrestricted income funds	15		347		393
Total funds			<u>(2,395)</u>		<u>(1,944)</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue on 01 December 2021 and are signed on their behalf, by:



Mrs R Boon
Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(21)	22
Cash flows from investing activities	18	(71)	-
Change in cash and cash equivalents in the year		(92)	22
Cash and cash equivalents at the beginning of the year		635	613
Cash and cash equivalents at the end of the year	19, 20	<u>543</u>	<u>635</u>

The notes on pages 27 to 49 form part of these financial statements

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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 of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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 year for which it is receivable and any abatement in respect of the year 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.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

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 allocated on the portion of the asset's use.

- **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.

All resources expended are inclusive of irrecoverable VAT.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 5 years straight line
Furniture and equipment	- 3 years straight line

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.

1.6 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

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.

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1. Accounting policies (continued)

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 as detailed in note 14. 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.11 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 Part 11, chapter 3 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.

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1. Accounting policies (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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.

1.13 Fund accounting

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

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

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

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2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The classification of expenditure between restricted and unrestricted is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

3. Income from donations and capital grants

	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	11	-	11	11
Capital Grants	-	64	64	9
	<u>11</u>	<u>64</u>	<u>75</u>	<u>20</u>
Total 2020	<u>11</u>	<u>9</u>	<u>20</u>	

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4. Funding for Academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
Other DfE/ESFA grants				
General annual grant (GAG)	-	1,576	1,576	1,519
Pupil Premium	-	47	47	41
UFSM	-	72	72	74
Teacher Pay & Pension grant	-	84	84	84
Other DfE Group grants	-	34	34	32
	-	-	1,813	1,750
Other income from the academy trust's educational operations				
Local authority grants	-	111	111	122
Other income	169	-	169	175
Catering income	36	-	36	32
School trip income	2	-	2	21
	207	111	318	350
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	34	34	-
	-	34	34	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	33	33	17
	-	33	33	17
	207	1,991	2,198	2,117
Total 2020	228	1,889	2,117	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium, Universal Infant Free School Meals and Teacher Pay and Pension is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £34k of funding for catch-up premium and costs incurred in respect of this funding totalled £34k during this financial year. The academy also furloughed staff working in its early years provision and catering staff under the government's CJRS. The funding received of £33k (2020: £17k) relates to staff costs which are included within note 9 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Lettings income	19	19	22
	<u>19</u>	<u>19</u>	<u>22</u>
Total 2020	<u>22</u>	<u>22</u>	

6. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	1,406	-	138	1,544	1,458
Allocated support costs	648	61	188	897	835
	<u>2,054</u>	<u>61</u>	<u>326</u>	<u>2,441</u>	<u>2,293</u>
Total 2020	<u>1,922</u>	<u>68</u>	<u>303</u>	<u>2,293</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	1,544	897	2,441	2,293
	<u>1,544</u>	<u>897</u>	<u>2,441</u>	<u>2,293</u>
Total 2020	<u>1,458</u>	<u>835</u>	<u>2,293</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	648	648	595
Depreciation	67	67	49
Technology costs	30	30	31
Premises costs	61	61	68
Other support costs	81	81	81
Governance costs	10	10	11
	<u>897</u>	<u>897</u>	<u>835</u>
Total 2020	<u>835</u>	<u>835</u>	

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	67	49
Fees paid to auditor for:		
- audit	8	8
- other services	2	2
	<u>77</u>	<u>59</u>

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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	1,410	1,387
Social security costs	121	109
Pension costs	498	414
	<hr/> 2,029	<hr/> 1,910
Agency staff costs	9	12
Staff restructuring costs	16	-
	<hr/> 2,054	<hr/> 1,922
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	16	-
	<hr/> 16	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	20	18
Administration and support	61	67
Management	4	4
	<hr/> 85	<hr/> 89
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	17	17
Administration and support	27	31
Management	4	4
	<u>48</u>	<u>52</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

d. 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 £364,822 (2020: £351,207).

10. 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. The value of Trustees' remuneration and other benefits was as follows:

		2021 £000	2020 £000
Mrs J Luckett (Head Teacher & staff trustee)	Remuneration	75 - 80	75 - 80
	Pension contributions paid	15 - 20	15 - 20
Mrs E Hickling (Staff trustee)	Remuneration	10 - 15	15 - 20
	Pension contributions paid	0 - 5	5 - 10
Mrs N Allison (Staff Trustee)	Remuneration	40 - 45	40 - 45
	Pension contributions paid	10 - 15	5 - 10
Mrs P Wardropper (Staff Trustee)(Appointed 23 September 2020)	Remuneration	35 - 40	-
	Pension contributions paid	5 - 10	-

During the year ended 31 August 2021, no Trustees received any reimbursement of expenses (2020: £Nil).

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NOTES TO THE FINANCIAL STATEMENTS
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11. 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 Trust 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.

12. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Total £000
Cost or valuation			
At 1 September 2020	498	235	733
Additions	118	17	135
At 31 August 2021	616	252	868
Depreciation			
At 1 September 2020	401	225	626
Charge for the year	56	11	67
At 31 August 2021	457	236	693
Net book value			
At 31 August 2021	159	16	175
At 31 August 2020	97	9	106

The Birmingham Diocesan Trustees Registered have agreed to make their land available for use by Deanery Church of England Primary School during the continuance of the Funding Agreement between the Secretary of State for Education and Deanery Church of England Primary School subject to the right by the Birmingham Diocesan Trustees Registered to give not less than 2 years written notice to terminate the agreement, such notice to expire on 31 August 2013 or any subsequent anniversary of that date. The Academy holds a lease of land from Birmingham City Council for a period of 125 years from 1 April 2015 at a peppercorn rent. However, this lease can be terminated 90 working days after the Funding Agreement termination date.

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13. Debtors

	2021 £000	2020 £000
Due within one year		
Other debtors	21	2
Prepayments and accrued income	112	74
	<u>133</u>	<u>76</u>

14. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	36	17
Other taxation and social security	28	25
Accruals and deferred income	102	108
	<u>166</u>	<u>150</u>

	2021 £000	2020 £000
Deferred income		
Deferred income at 1 September 2020	84	63
Resources deferred during the year	56	84
Amounts released from previous years	(84)	(63)
Deferred income at 31 August 2021	<u>56</u>	<u>84</u>

Deferred income at the balance sheet date is represented by grant funds and other educational activities funds received in advance which relate to activities that will be undertaken during the year ending 31 August 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Total General Funds	393	226	(201)	(71)	-	347
Restricted general funds						
General Annual Grant (GAG)	13	1,576	(1,581)	-	-	8
Pupil premium	-	47	(47)	-	-	-
Other DfE / ESFA grants	-	190	(190)	-	-	-
Local authority	-	111	(111)	-	-	-
Covid grants	-	67	(67)	-	-	-
Other restricted income	155	11	(11)	-	-	155
Pension reserve	(2,611)	-	(165)	-	(303)	(3,079)
	(2,443)	2,002	(2,172)	-	(303)	(2,916)
Restricted fixed asset funds						
Fixed asset fund	106	64	(67)	71	-	174
Total Restricted funds	(2,337)	2,066	(2,239)	71	(303)	(2,742)
Total funds	(1,944)	2,292	(2,440)	-	(303)	(2,395)

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

The Pupil Premium funding must be used to support children from families on low income or children in care.

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15. Statement of funds (continued)

Other grants and income, which include other ESFA / DfE grants (including Universal Infant Free School Meal grants, Teacher Pay grants and Teachers' Pension grants), Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

Other restricted funds represent the School Fund and Governors' Fund held by the School for specific purposes. The expenditure from these funds is at the discretion of the Governing Body.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General Funds	389	250	(246)	-	393
Restricted general funds					
General Annual Grant (GAG)	-	1,611	(1,598)	-	13
Pupil premium	-	41	(41)	-	-
Other grants and income	-	236	(236)	-	-
Other restricted income	146	12	(3)	-	155
Pension reserve	(1,891)	-	(119)	(601)	(2,611)
	(1,745)	1,900	(1,997)	(601)	(2,443)
Restricted fixed asset funds					
Fixed asset fund	146	9	(49)	-	106
Total Restricted funds	(1,599)	1,909	(2,046)	(601)	(2,337)
Total funds	(1,210)	2,159	(2,292)	(601)	(1,944)

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NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	174	174
Current assets	347	329	-	676
Creditors due within one year	-	(166)	-	(166)
Provisions for liabilities and charges	-	(3,079)	-	(3,079)
Total	347	(2,916)	174	(2,395)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	106	106
Current assets	385	326	-	711
Creditors due within one year	8	(158)	-	(150)
Provisions for liabilities and charges	-	(2,611)	-	(2,611)
Total	393	(2,443)	106	(1,944)

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NOTES TO THE FINANCIAL STATEMENTS
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17. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(148)	(133)
Adjustments for:		
Depreciation	67	49
Capital grants from DfE and other capital income	(64)	(9)
Defined benefit pension scheme cost less contributions payable	125	84
Net return on defined benefit scheme assets	40	34
Increase in debtors	(57)	(16)
Increase in creditors	16	13
Net cash (used in)/provided by operating activities	(21)	22

18. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets	(135)	(9)
Capital grants from DfE Group	64	9
Net cash (used in)/provided by investing activities	(71)	-

19. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	543	635
Total cash and cash equivalents	543	635

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20. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	635	(92)	543
	<u>635</u>	<u>(92)</u>	<u>543</u>

21. Pension commitments

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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

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21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £193,000 (2020 - £199,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 contribution made for the year ended 31 August 2021 was £214,000 (2020 - £172,000), of which employer's contributions totalled £180,000 (2020 - £141,000) and employees' contributions totalled £ 34,000 (2020 - £31,000). The agreed contribution rates for future years are 5.5% - 12.5% per cent for employers and 22% per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

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21. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.85
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	2021 Years	2020 Years
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	151	124
Discount rate -0.1%	155	127
Mortality assumption - 1 year increase	257	194
Mortality assumption - 1 year decrease	246	187
CPI rate +0.1%	137	113
CPI rate -0.1%	133	110

Share of scheme assets

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

	2021 £000	2020 £000
Equities	1,694	1,237
Gilts	230	239
Other bonds	170	85
Property	195	166
Cash and other liquid assets	102	146
Other	389	328
Total market value of assets	2,780	2,201

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21. Pension commitments (continued)

The actual return on scheme assets was £404,000 (2020 - £197,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Current service cost	(305)	(225)
Interest income	37	38
Interest cost	(77)	(72)
Total amount recognised in the Statement of Financial Activities	(345)	(259)

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

	2021 £000	2020 £000
At 1 September	4,812	3,894
Current service cost	305	225
Interest cost	77	72
Employee contributions	34	31
Actuarial losses	670	632
Benefits paid	(39)	(42)
At 31 August	5,859	4,812

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2021 £000	2020 £000
At 1 September	2,201	2,003
Interest income	37	38
Return on assets	367	31
Employer contributions	180	141
Employee contributions	34	31
Benefits paid	(39)	(42)
Administration expenses	-	(1)
At 31 August	2,780	2,201

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22. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	2	2
Later than 1 year and not later than 5 years	2	4
	<u>4</u>	<u>6</u>

23. Members' liability

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

24. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Transactions with trustees are disclosed in note 10.