

FIRTHMOOR PRIMARY SCHOOL

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditors' Report on the Financial Statements	19 - 22
Independent Reporting Accountant's Report on Regularity	23 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26
Balance Sheet	27 - 28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 54

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

K Hall
Y Oakes
K Roberts

Trustees

W G Paton, Chairperson
V H Pace, Vice Chairperson
A Dixon, Headteacher and Accounting Officer
M Donaldson (appointed 7 July 2021)
P Irving
J Jefferies
V Johnston
J Newbery (resigned 26 September 2021)
N Westmoreland (resigned 17 June 2021)

Company registered number

08027879

Company name

Firthmoor Primary School

Principal and registered office

Ingleby Moor Crescent
Darlington
County Durham
DL1 4RW

Company secretary

J Brooks

Senior Leadership Team

A Dixon, Headteacher
V Morrow, Deputy Headteacher
D Murray, Assistant Headteacher

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Bankers

Lloyds Bank
21-23 Northgate
Darlington
Durham
DL1 1TL

Solicitors

Womble Bond Dickinson LLP
St Ann Wharf
112 Quayside
Newcastle Upon Tyne
NE1 3DX

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Darlington. It has a pupil capacity of 365 and had a roll of 320 in the school census on 20 May 2021. The governing body of Firthmoor Primary is the Admissions Authority for this school. The Admissions Policy Criteria will be applied on an Equal Preference basis and works in association with the Co-ordinated Scheme for Darlington Authority. Application for places are made on the Primary School Application (PSA) available from and administered by Darlington Borough Council.

Structure, Governance and Management

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy. The Trustees of Firthmoor Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Firthmoor Primary School.

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

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' Indemnities

The academy has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 12.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Academy's Memorandum and Articles of Association and membership of the Governing Body is in accordance with the structure contained within it. Up to 12 Trustees may be appointed.

The Headteacher shall be treated for all purposes as being an ex officio Trustee.

The Parent Trustees shall be elected by parents of registered pupils at the academy. A Parent Trustee must be a parent of a pupil at the academy at the time when they are elected. If the number of parents standing for election is less than the number of vacancies, then the Governing Body can appoint them.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post help ex officio. Subject to remaining eligible to be a particular type of trustee, any Trustee may be re-appointed or re-elected. The Trustees may appoint up to 3 co-opted Trustees. The Trustees may not co-opt an employee of the academy as a co-opted Trustee if thereby the number of Trustees who are employees of the academy would exceed one third of the total number of Trustees.

The Secretary of State may appoint additional Trustees as he sees fit if he has given the Trustees a warning notice, and the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters and is accessed via the governance support service level agreement. All new Trustees are given a tour of the academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

During the year the academy continued to operate a unified management structure. The Structure consists of 3 levels: the Trustees, the Senior Leadership team and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The management structure consists of:

The Trustees

The Senior Leadership Team (1 Headteacher, 1 Deputy Headteacher, 1 Assistant Headteacher)

The Leadership Team (1 SENCO and 1 Inclusion Officer)

The Academy Business Manager.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trustees are responsible for setting the Academy Pay Policy which is set in accordance with the provisions of the School Teachers Pay and Conditions Document and NJC pay scales for support staff. The Trustees recognize the requirement for a fair and transparent policy to determine the pay and grading for all staff employed in the school and vacant posts are advertised as appropriate. Robust annual performance management and appraisal procedures are in place for key management personnel. The Headteacher pay is determined by the headteacher performance management and pay review committee which is advised by an external advisor. The Headteacher conducts the performance management of the Senior Leadership Team and makes recommendations to the performance management, pay review committee for approval.

Related Parties and other Connected Charities and Organisations

Firthmoor Primary School is a standalone academy and not part of a Multi Academy Trust. There are no connected organisations which have been identified.

There are no connected organisations. Related party transactions are disclosed under note 26.

Objectives and activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Firthmoor Primary School, to provide education for students of different abilities between the ages of 3 and 11 with access to a rich curriculum with an emphasis on high achievement in Reading, Writing and Maths. In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with emphasis on providing the very best care and education for our pupils.

The main objectives of the academy during the year ended 31 August 2021 are summarised below:

- 1) To promote high levels of wellbeing and mental health.
- 2) To provide a programme of 'catch up' intervention for identified pupils with gaps in learning due to school closure periods during the pandemic
- 3) To ensure continuity and progression in curriculum content, delivery and assessment across school.

Objectives, Strategies and Activities

The academy's main objectives are encompassed in its mission statement which is:

At Firthmoor Primary School, we are dedicated to providing the very best care and education for all our children. We want our school to be a happy, inclusive and successful community. Within a safe, positive and supportive environment, our children are encouraged to take responsibility for their own health and well-being. We promote a love of learning, which encourages our children to aim high and become valuable members of society and pride ourselves on being a school at the heart of the Firthmoor Community, involving pupils, parents and the wider community in our achievements.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

To this end the objectives and the strategies used to achieve them include:

- To promote the development of all children, ensuring learning opportunities and programmes are in place for children to make good progress;
- To encourage children to grow and develop their potential by allocating resources, enabling them to fully participate in the life of the school;
- To raise the standard of educational achievement of all students;
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

We achieve these aims by:

- Providing learning opportunities for all pupils to attain appropriate academic qualifications;
- Offering a broad and balanced curriculum that promotes equal opportunities for all the children within our school;
- Providing a personalised curriculum for those pupils who need additional support to overcome barriers to learning;
- Engaging fully with parents to ensure their involvement with pupils' learning;
- Engagement with partner agencies in developing appropriate provision and supportive strategies;
- Encouraging pupils to develop their own independence and individuality by exploring their strengths and limitations;
- Providing training opportunities for all staff;
- Creating and maintaining strong links with community groups and external stakeholders; and
- Providing a programme of cultural and spiritual activities to ensure that students have the widest possible life experience at school and learn respect for other races, religions and social groups.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11.

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy should undertake.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Strategic report

Achievements and performance

Due to the coronavirus pandemic the cancellation of school exams and assessments in May and June 2020 was announced by the Prime Minister on 4th January 2021. The cancellation applies to: end of key stage 1 and key stage 2 assessments (including tests and teacher assessment); Y1/2 phonics screening check; Y4 multiplication tables check; Y6 science sampling tests; and the Early Years Foundation Stage Profile.

Primary school performance measures will not be published for the 2020/21 academic year.

Our performance in the last year of published performance measures was:

EYFS – pupils achieving a Good Level of Development (GLD)

Firthmoor	National
64%	72%

Y1 – pupils achieving a pass in the Phonic Screening Test

Firthmoor	National
84%	82%

KS1 - pupils achieving expected level

	Firthmoor	National
Reading	74%	75%
Writing	67%	69%
Maths	76%	76%

KS2 – pupils achieving expected level

Reading	85%	73%
Writing	80%	78%
Maths	97%	79%
GPS	87%	78%
RWM	77%	65%

2020-2021

During lockdown and periods of pupil/bubble self-isolation:

- Over 90% of pupils from Nursery to Y6 either accessed learning in school or did remote learning tasks
- Teaching staff provided a wide range of remote learning opportunities through Google Classrooms
- Internal monitoring of in-school and remote education shows that standards in learning and teaching are high with many outstanding features
- 62% of Y4 pupils recorded 20+/25 in the optional times tables online check
- 93% of pupils had passed the re-scheduled Phonic Screening Test by the end of Y2.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

- External School Improvement Partner
- Pupil progress
- Phonic screening results
- KS1 + KS2 internal monitoring and end of year assessments
- Ofsted Judgement as Good, November 2016
- Total income per pupil - £6,455
- Total GAG income per pupil - £4,700
- Staff cost per pupil - £4,582
- Total costs per pupil - £6,074
- Staff costs as % of total costs – 75.4 %
- Staff costs as % of total income – 71.0%
- Pupil to teacher ratio – 17.89

Assessment of performance against KPIs

- 62% of Y4 pupils recorded 20+/25 in the optional times tables online check
- 93% of pupils had passed the re-scheduled Phonic Screening Test by the end of Y2
- Internal monitoring of in-school and remote education shows that standards in learning and teaching are high with many outstanding features
- Percentage of total expenditure spend on premises, including staff costs, remains in line with similar schools. Staff costs are in line with current targets and requirements for the school.
- Revenue reserve remains a low risk
- Per pupil income is as expected as pupil numbers currently remain stable.

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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial review

Most of the academies income is obtained from the Department of education (DfE) via 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 DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £1,933,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £2,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2021 the net book value of fixed assets was £2,309,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,256,000 recognised on the Balance Sheet.

The academy held fund balances at 31 August 2021 of £1,607,000 comprising £1,387,000 of restricted funds (including £2,309,000 of restricted fixed asset funds and a pension deficit of £1,256,000) and £220,000 of unrestricted funds. The in year surplus from restricted general funds and unrestricted funds was £107,000.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- to provide funds which can be designated to specific areas such as improving facilities;
- to cover costs of any unplanned repairs and maintenance that may be required;
- to provide cost for staff sickness and absences cover.
- to cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by the Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £159,000.

This is considered sufficient to cover

- replacement leadership, teaching and support time to cover staff absence;
- curriculum resources if departments require additional support;
- capital expenditure when projects are identified.

The academy's current level of free reserves are in surplus by £220,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy. The Trustees continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied including:

- curriculum resources and support to help raise standards should the academy require additional support;
- additional resources to develop learning and teaching;
- capital expenditure on new projects.

Investment Policy

Firthmoor Primary School aims to manage its cash balances to provide for the day-to-day requirement of its operations while protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensure that the investments are such that there is no risk to the loss of these cash funds.

The academy invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition, the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The Trustees have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Safeguarding and Child Protection.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

Additional costs to the academy to ensure a COVID safe environment during the pandemic included additional cleaning materials, additional signage and support to ensure social distancing and implementing one-way systems. The academy has incurred additional costs of £4,598 this year on purchasing cleaning materials, sanitiser and paper towels to ensure a COVID safe environment during the pandemic. The school cleaning contract has continued to cover additional cleaning requirements within the hours of the contract and no additional charges have been incurred.

However, cost savings have been made due to one-to-one tuition which has not taken place this academic year. Other cost savings include swimming lessons and related pupil transportation, and expenditure on school trips. These cost savings against budget total £11,848.

Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment by making support resources available and through training and career development.

Fundraising

The academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Plans for Future Periods

The academy will be looking at directing reserves towards:

- Ensuring a consistent approach to the delivery of Systematic Synthetic Phonics (SSP) through whole-school implementation of The Little Wandle Letters and Sounds programme
- Developing number sense and fluency with number facts in Early Years and KS1 through the implementation of the NCETM Mastering Number programme
- Providing recovery interventions for target pupils to ensure good progress
- Promoting high attendance and punctuality
- Promoting high levels of emotional wellbeing support for pupils
- Ensuring staff receive high quality training and resources to deliver new initiatives to promote good pupil progress.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the Trustees are aware:

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

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

.....
W G Paton
Chair

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Firthmoor Primary School has an effective and appropriate system of control, financial and otherwise. However, such a system is design 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 Headteacher as accounting officer, for ensuring financial controls conform to 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 Firthmoor 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 5 times during the year. The Board met less than 6 times due to an established committee of Governors who deal with specific areas of responsibility following robust terms of reference.

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

Trustee	Meetings attended	Out of a possible
W G Paton, Chair	5	5
V H Pace, Vice Chair	2	5
A Dixon, Headteacher and Accounting Officer	5	5
J Newbery	5	5
P Irving	5	5
J Jefferies	4	5
V Johnston	3	5
N Westmoreland (resigned 17th June 2021)	0	5
M Donaldson(appointed 7th July 2021)	1	1

The Board carries out an annual skills audit/self-evaluation review governance to assess the Board's breadth and depth of skills, knowledge and experience. The academy carries out the audit within the first term of the academic year.

The Finance and Audit Committee is a sub-committee of the main Board of Governors. Its purpose is to ensure sound financial management of the trust's resources including proper planning, monitoring and probity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
V Johnston	2	3
W G Paton	3	3
A Dixon	3	3
J Jefferies	3	3

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy delivers good value in 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 taxpayers resources received.

The Accounting Officer considers how the academy'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 has delivered improved value for money during the year by:

Improving Educational Results

Our resources are directed where they will be the most effective in meeting educational requirements, for example:

- Robust tracking systems to record and monitor all aspects of pupil data including progress
- Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development
- Provide a programme of lesson observations and work scrutinies combined with intensive staff development to ensure pupil progress.
- Funding is allocated to optimal effect, for example, providing targeted support and interventions for pupils such as small group tuition, individual pupil support, after school clubs and additional curricular activities.
- Working collaboratively with other schools, sharing good practice to improve CPD and improve standards
- Implement strategies to improve attendance and end of key stage results
- Provide increased pastoral and speech and language support for identified pupils

Financial Governance and Oversight

Financial governance arrangements include regular monitoring by the Governing Body. This includes;

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports reviewed and agreed by the governing body.
- Regular monitoring review of reports and data sources within governing body meetings, monitoring the impact of activities and funding streams, such as pupil premium.
- Regular review of reports within Trustee meetings which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Robust finance procedures and regular policy reviews ensure the school is operating within the regulations of the Academies Handbook.
- Comprehensive audit checks, monitoring and reporting on the Academy's financial procedures and performance.
- Reviewing appropriate financial benchmarking data, in order to compare the schools financial performance with other similar schools.
- Trustees receive management account reports on a monthly basis

Better Purchasing

- Spending proposals are priced and presented to Trustees, challenged appropriately and recorded in minutes.
- Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy and tenders / quotations are obtained where appropriate to ensure value for money.
- Continue to work with forum groups and other education providers to improve sharing of good practice and joint procurement of services.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Reviewing controls and managing risk

- Cash flow forecasts are included within regular reports to identify and invest surplus cash balances and maximise bank interest
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties are defined within policies and governor meetings
- Review of risk register is a standing agenda item for all meetings.

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 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 Firthmoor 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.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The academy'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 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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

The Board of Trustees has decided to buy-in an internal audit service from Tait Walker as internal auditor from September 2020.

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of income
- Testing of petty cash/expenses procedures
- Testing of the accounting systems and management information provided
- Review of Trustee appointments/resignations and declarations of interest
- Review of gifts and hospitality & honorarium/ex-gratia payments
- Review of information technology strategy
- Review of fixed assets
- Review of VAT and Corporation Tax position
- Review of HR, Health and Safety and GDPR procedures

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

The internal auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

Review of effectiveness

As Accounting Officer, the Headteacher 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 auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy 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 Board of Trustees and a plan to address weaknesses and ensures continuous improvement of the system in place.

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

.....
W G Paton
Chair

.....
A Dixon
Accounting Officer

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Firthmoor Primary School I have considered my responsibility to notify the academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.

A Dixon
Accounting Officer
Date:

FIRTHMOOR 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 and signed on its behalf by:

.....
W G Paton
Chair

Date:

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FIRTHMOOR PRIMARY SCHOOL**

Opinion

We have audited the financial statements of Firthmoor Primary School (the 'academy') 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'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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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'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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FIRTHMOOR PRIMARY SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 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 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FIRTHMOOR PRIMARY SCHOOL (CONTINUED)**

Auditors' 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 Auditors' 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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditors' Report.

Use of our report

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FIRTHMOOR PRIMARY SCHOOL (CONTINUED)**

Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of
Clive Owen LLP

Chartered Accountants
Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Date:

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 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 Firthmoor 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 Firthmoor Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Firthmoor 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 Firthmoor Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Firthmoor Primary School's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Firthmoor Primary School's funding agreement with the Secretary of State for Education dated 1 May 2012 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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FIRTHMOOR
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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of Board of Trustees and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date:

FIRTHMOOR 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	1	-	34	35	9
Charitable activities	4	11	1,808	-	1,819	1,769
Other trading activities	5	4	-	-	4	4
Investments	6	5	-	-	5	1
Total income		21	1,808	34	1,863	1,783
Expenditure on:						
Charitable activities	7	12	1,819	102	1,933	1,839
Total expenditure		12	1,819	102	1,933	1,839
Net income/(expenditure)		9	(11)	(68)	(70)	(56)
Transfers between funds	17	-	(161)	161	-	-
Net movement in funds before other recognised gains/(losses)		9	(172)	93	(70)	(56)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	77	-	77	(183)
Net movement in funds		9	(95)	93	7	(239)
Reconciliation of funds:						
Total funds brought forward		211	(827)	2,216	1,600	1,839
Net movement in funds		9	(95)	93	7	(239)
Total funds carried forward		220	(922)	2,309	1,607	1,600

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08027879

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	13	2,309	2,216
		2,309	2,216
Current assets			
Stocks	14	1	1
Debtors	15	204	184
Cash at bank and in hand		495	530
		700	715
Creditors: amounts falling due within one year	16	(146)	(107)
		554	608
Net current assets			
		2,863	2,824
Total assets less current liabilities			
		2,863	2,824
Net assets excluding pension liability			
Defined benefit pension scheme liability	24	(1,256)	(1,224)
		1,607	1,600
Total net assets		1,607	1,600

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08027879

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note		2021 £000		2020 £000
Funds of the academy					
Restricted funds:					
Fixed asset funds	17	2,309		2,216	
Restricted income funds	17	334		397	
		2,643		2,613	
Restricted funds excluding pension asset	17	2,643		2,613	
Pension reserve	17	(1,256)		(1,224)	
		1,387		1,389	
Total restricted funds	17		1,387		1,389
Unrestricted income funds	17		220		211
			1,607		1,600
Total funds			1,607		1,600

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 26 to 54 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

W G Paton
Chair

FIRTHMOOR 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 provided by operating activities	20	126	55
Cash flows from investing activities	21	(161)	(8)
Change in cash and cash equivalents in the year		(35)	47
Cash and cash equivalents at the beginning of the year		530	483
Cash and cash equivalents at the end of the year	22, 23	<u>495</u>	<u>530</u>

FIRTHMOOR 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, 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.

Firthmoor Primary School meets the definition of a public benefit entity under FRS 102.

1.2 Fund Accounting

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

FIRTHMOOR 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 income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

• **Donated fixed assets (excluding transfers on conversion or into the academy)**

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

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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**

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 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 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's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets

All assets costing more than £500 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold property	- 50 years
Furniture and fixtures	- 7 years
Computer equipment	- 3 years

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 incorporating Income and Expenditure Account.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

1.10 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.

1.11 Liabilities and Provision

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Taxation

The academy 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 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.

1.14 Operating leases

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

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the academy 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 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 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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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 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 24, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £102,000.

Critical areas of judgement:

Land – Land is held under a 125 year lease from Darlington Borough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	1	26	27	2
Capital Grants	-	8	8	7
	<u>1</u>	<u>34</u>	<u>35</u>	<u>9</u>
Total 2020	<u>2</u>	<u>7</u>	<u>9</u>	

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,330	1,330	1,323
Other DfE/ESFA grants				
Pupil Premium	-	229	229	219
PE and Sport Premium	-	19	19	19
UIFSM	-	25	25	38
Rates	-	8	8	8
Teachers Pay grant	-	15	15	15
Teachers Pension grant	-	43	43	43
	-	-	1,669	1,665
Other Government grants				
SEN	-	6	6	20
Early Years Funding	-	68	68	61
Local Authority grants	-	6	6	6
	-	80	80	87
Other income from the academy's academy's educational operations	11	-	11	17
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	23	23	-
	-	23	23	-
COVID-19 additional funding (non- DfE/ESFA)				
Other COVID-19 funding	-	36	36	-
	-	36	36	-
	11	1,808	1,819	1,769
Total 2020	11	1,758	1,769	

The academy trust received £23k of catch-up premium and the costs incurred in respect of this funding totalled £23k.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

5. Other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	3	3	3
Other	1	1	1
	4	4	4
	4	4	
Total 2020	4	4	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Investment income	5	5	1
	5	5	1
Total 2020	1	1	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	1,279	-	66	1,345	1,325
Allocated support costs	126	187	275	588	514
	1,405	187	341	1,933	1,839
	1,405	187	341	1,933	1,839
Total 2020	1,394	182	263	1,839	

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

7. Expenditure (continued)

In 2021, of the total expenditure, £12,000 (2020 - £22,000) was to unrestricted funds and £1,921,000 (2020 - £1,817,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

8. 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	1,345	588	1,933	1,839
	<u>1,325</u>	<u>514</u>	<u>1,839</u>	
Total 2020				

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	1,279	1,271
Educational supplies	46	41
Staff development	1	4
Technology costs	14	6
Educational consultancy	2	2
Other costs	3	1
	<u>1,345</u>	<u>1,325</u>

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	20	17
Staff costs	126	123
Depreciation	102	90
Technology costs	11	11
Transport	-	3
Maintenance of premises	30	25
Cleaning	30	26
Other premises costs	15	14
Energy	23	21
Rent and rates	8	8
Catering	117	72
RPA fees	7	7
Legal costs - other	1	-
Other support costs	87	87
Governance costs	11	10
	588	514
	588	514

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	3	2
Depreciation of tangible fixed assets	102	90
Fees paid to auditors for:		
- audit	7	7
- other services	1	3
	113	102
	113	102

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	995	1,011
Social security costs	89	89
Pension costs	303	280
	1,387	1,380
Agency staff costs	16	14
Staff restructuring costs	2	-
	1,405	1,394

Included in pension costs is a debit of £89,000 (2020 : £66,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	2	-
	2	-

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	13	12
Teaching support	18	19
Administration	3	3
Management	3	3
Caretaker	1	1
	38	38

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

10. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	1	-

d. Key management personnel

The key management personnel of the academy 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 was £211,000 (2020: £251,000).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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	2020
		£000	£000
A Dixon (Headteacher and Staff Trustee)	Remuneration	80 - 85	75 - 80
	Pension contributions paid	15 - 20	15 - 20

During the year, no Trustees received any benefits in kind (2020 - £NIL).

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

12. Trustees' and Officers' insurance

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

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

13. Tangible fixed assets

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2020	2,506	286	75	2,867
Additions	5	141	49	195
At 31 August 2021	<u>2,511</u>	<u>427</u>	<u>124</u>	<u>3,062</u>
Depreciation				
At 1 September 2020	417	162	72	651
Charge for the year	51	40	11	102
At 31 August 2021	<u>468</u>	<u>202</u>	<u>83</u>	<u>753</u>
Net book value				
At 31 August 2021	<u>2,043</u>	<u>225</u>	<u>41</u>	<u>2,309</u>
At 31 August 2020	<u>2,089</u>	<u>124</u>	<u>3</u>	<u>2,216</u>

14. Stocks

	2021 £000	2020 £000
Finished goods and goods for resale	<u>1</u>	<u>1</u>

15. Debtors

	2021 £000	2020 £000
Short term investments	120	118
VAT debtor	27	4
Prepayments and accrued income	57	62
	<u>204</u>	<u>184</u>

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	63	25
Other taxation and social security	24	21
Other creditors	26	24
Accruals and deferred income	33	37
	146	107
	146	107
	2021 £000	2020 £000
Deferred income at 1 September 2020	23	29
Resources deferred during the year	14	23
Amounts released from previous periods	(23)	(29)
	14	23
Deferred income at 31 August 2021	14	23

At the Balance Sheet date the academy held funding received in advance in respect of UIFSM income and breakfast sales.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

17. 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						
General Funds	211	21	(12)	-	-	220
Restricted general funds						
General Annual Grant	393	1,330	(1,228)	(161)	-	334
Pupil Premium	-	229	(229)	-	-	-
PE Grant	4	19	(23)	-	-	-
UIFSM	-	25	(25)	-	-	-
Rates	-	8	(8)	-	-	-
Teacher's pay grant	-	15	(15)	-	-	-
Teacher's pension grant	-	43	(43)	-	-	-
SEN	-	6	(6)	-	-	-
Early Years Funding	-	68	(68)	-	-	-
Local Authority grants	-	6	(6)	-	-	-
Catch-up Premium	-	23	(23)	-	-	-
Other Covid-19 funding	-	36	(36)	-	-	-
Pension reserve	(1,224)	-	(109)	-	77	(1,256)
	(827)	1,808	(1,819)	(161)	77	(922)
Restricted fixed asset funds						
Inherited on conversion	2,071	-	(50)	-	-	2,021
DfE/ESFA capital grants	52	7	(19)	-	-	40
Capital expenditure from GAG	82	-	(25)	161	-	218
PE Grant	5	-	(1)	-	-	4
Big Lottery	6	-	(2)	-	-	4
ESFA donations	-	27	(5)	-	-	22

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
	2,216	34	(102)	161	-	2,309
Total Restricted funds	1,389	1,842	(1,921)	-	77	1,387
Total funds	1,600	1,863	(1,933)	-	77	1,607

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

The General Annual Grant (GAG) must be used for the normal running costs of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

PE Grant relates to funding received solely for the provision of sports within the school, including teaching costs relating to PE.

UIFSM is funding received for the provision of catering services.

Teachers' pay grant and teachers' pension grant are to be used to fund teachers salaries.

Catch-up premium is used to fund specific activities to support the pupils' education recovery.

Other Covid-19 funding relates to funding received from the local authority for the purchase of free school meal vouchers.

SEN funding is to be spent providing extra support to pupils with special educational needs.

Early Years funding is to be used for the provision of nursery schools.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Transfers have been made from the GAG to fixed asset funds in relation to capital assets acquired through GAG.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

17. 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	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	209	24	(22)	-	-	211
Restricted general funds						
General Annual Grant	297	1,323	(1,219)	(8)	-	393
Pupil Premium	-	219	(219)	-	-	-
PE Grant	-	19	(15)	-	-	4
UIFSM	-	38	(38)	-	-	-
Rates	-	8	(8)	-	-	-
Teacher's pension grant	-	58	(58)	-	-	-
Early Years Funding	-	61	(61)	-	-	-
SEN Funding	-	20	(20)	-	-	-
Other Government Grants	-	6	(6)	-	-	-
Pension reserve	(958)	-	(83)	-	(183)	(1,224)
	(661)	1,752	(1,727)	(8)	(183)	(827)
Restricted fixed asset funds						
Inherited on conversion	2,121	-	(50)	-	-	2,071
DfE/ESFA capital grants	59	7	(14)	-	-	52
Capital expenditure from GAG	98	-	(24)	8	-	82
PE Grant	6	-	(1)	-	-	5
Big Lottery	7	-	(1)	-	-	6
	2,291	7	(90)	8	-	2,216

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Total Restricted funds	1,630	1,759	(1,817)	-	(183)	1,389
Total funds	1,839	1,783	(1,839)	-	(183)	1,600

18. 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	-	-	2,309	2,309
Current assets	220	480	-	700
Creditors due within one year	-	(146)	-	(146)
Provisions for liabilities and charges	-	(1,256)	-	(1,256)
Total	220	(922)	2,309	1,607

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	-	-	2,216	2,216
Current assets	211	504	-	715
Creditors due within one year	-	(107)	-	(107)
Provisions for liabilities and charges	-	(1,224)	-	(1,224)
Total	211	(827)	2,216	1,600

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

19. Net interest cost on pension scheme

	2021 £000	2020 £000
Interest income on pension scheme assets	25	28
Interest on pension scheme liabilities	(45)	(45)
	(20)	(17)
	(20)	(17)

20. 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)	(70)	(56)
Adjustments for:		
Depreciation	102	90
Capital grants from DfE and other capital income	(34)	(7)
Defined benefit pension scheme cost less contributions payable	89	66
Defined benefit pension scheme finance cost	20	17
Decrease in stocks	-	1
Increase in debtors	(20)	(56)
Increase in creditors	39	-
	126	55
Net cash provided by operating activities	126	55

21. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets	(195)	(15)
Capital grants from DfE Group	34	7
	(161)	(8)
Net cash used in investing activities	(161)	(8)

22. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	495	530
	495	530
Total cash and cash equivalents	495	530

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

23. 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	530	(35)	495
	530	(35)	495
	530	(35)	495

24. Pension commitments

The academy'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 Durham County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £25,000 were payable to the schemes at 31 August 2021 (2020 - £24,000) and are included within creditors.

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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

24. 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 £138,000 (2020 - £143,000).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 £97,000 (2020 - £90,000), of which employer's contributions totalled £76,000 (2020 - £71,000) and employees' contributions totalled £ 21,000 (2020 - £19,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5-12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	85.00	85.00

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	22.3	22.2
Females	24.3	24.2
Retiring in 20 years		
Males	23.3	23.2
Females	25.8	25.7

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(70)	(61)
Discount rate -0.1%	73	64
Mortality assumption - 1 year increase	(112)	(96)
Mortality assumption - 1 year decrease	115	98
CPI rate +0.1%	58	50
CPI rate -0.1%	(58)	(50)

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

Share of scheme assets

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

	2021 £000	2020 £000
Equities	1,006	708
Government bonds	275	342
Corporate bonds	307	211
Property	110	102
Cash and other liquid assets	78	70
Total market value of assets	<u>1,776</u>	<u>1,433</u>

The actual return on scheme assets was £290,000 (2020 - £(40,000)).

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

	2021 £000	2020 £000
Current service cost	(165)	(137)
Interest income	25	28
Interest cost	(45)	(45)
Total	<u>(185)</u>	<u>(154)</u>

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

	2021 £000	2020 £000
Opening defined benefit obligation	2,657	2,384
Current service cost	165	137
Interest cost	45	45
Employee contributions	21	19
Actuarial losses	188	115
Benefits paid	(44)	(43)
Closing defined benefit obligation	<u>3,032</u>	<u>2,657</u>

FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

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

	2021 £000	2020 £000
Opening fair value of scheme assets	1,433	1,426
Interest income	25	28
Actuarial gains/(losses)	265	(68)
Employer contributions	76	71
Employee contributions	21	19
Benefits paid	(44)	(43)
Closing fair value of scheme assets	1,776	1,433

25. Operating lease commitments

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

	2021 £000	2020 £000
AMOUNTS PAYABLE:		
Within one year	2	2
Between one and five years	3	2
	5	4

26. Related party transactions

Owing to the nature of the academy 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's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

VH Pace received £3,250 (2020 : £3,000) in respect of services provided for curriculum support for Modern Foreign Languages. VH Pace did not receive any payment from the academy in respect of her role as Trustee.

In entering into the transaction the academy has complied with the requirements of the Academies Financial Handbook 2020 and was made at arms' length.

The element above £2,500 has been provided 'at no more than cost' and VH Pace has provided a statement of assurance confirming this.