

**FIRTHMOOR PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**FIRTHMOOR PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**FIRTHMOOR PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

C Bracken (appointed 2 December 2021)  
K Hall  
Y Oakes  
K Roberts

**Trustees**

W G Paton, Chairperson  
V H Pace, Vice Chairperson  
A Dixon, Headteacher and Accounting Officer  
M Donaldson  
K Howe (appointed 17 February 2022)  
P Irving  
J Jefferies  
V Johnston  
J Newbery (resigned 26 September 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 Carr

**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

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Bankers**

Lloyds Bank  
21-23 Northgate  
Darlington  
Durham  
DL1 1TL

**Solicitors**

Bond Dickinson LLP  
The Spark  
Draymans Way Newcastle Helix  
Newcastle Upon Tyne  
NE4 5DE

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1st September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy 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 307 in the school census on 19th May 2022.

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 operates as Firthmoor Primary School

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

#### **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.

#### **Method of Recruitment and Appointment or Election of Trustees**

The members appoint up to 9 Trustees and a minimum of 2 Parent Trustees. 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 held ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

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.

#### **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. All new Trustees are given a tour of the academy / academies 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, Governance and Management (continued)**

**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 Trustees

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

The Leadership Team (1 SENDCO and 1 Inclusion Officer)

The Academy Business Manager

**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 (The Green Book) for support staff. The Trustees recognise 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 25.

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities**

**Objects and Aims**

The principal object and activity of the charitable company is the operation of Firthmoor Primary School is to provide education for students of different abilities between the ages of 3 and 11 with 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 specified, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum with emphasis on providing the very best care and education for our students.

The main objectives of the academy during the year ended 31 August 2022 are as summarised below:

- To focus on quality of education through development of speech and language, number sense and ensure a consistent approach to the delivery of Systematic Synthetic Phonics (SSP);
- To promote high attendance, punctuality and good peer relationships;
- To promote high levels of support for pupil's emotional wellbeing and prepare pupils for young adulthood; and
- To ensure staff receive high quality training and resources to deliver lessons and initiatives to promote good pupil progress.

**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.

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

- 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 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.

**Strategic report**

**Achievements and performance**

**Key performance indicators**

Total income per pupil - £6,909  
Total GAG income per pupil - £4,967  
Staff costs per pupil - £5,060  
Total costs per pupil - £6,738  
Staff costs as % of total costs - 75.1%  
Staff costs as % of total income – 73.0%  
Pupil to teacher ratio – 19.12  
Ofsted judgement as Good, December 2021  
External School Improvement Partner  
Pupil progress  
Phonic screening results  
KS1 + KS2 internal monitoring and end of year assessments

**Assessment of performance against KPIs**

- 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



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

- 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 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.

**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 2022 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 2015), 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 2022, total expenditure of £2,158,000 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 £96,000.

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

At 31 August 2022 the net book value of fixed assets was £2,312,000 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 £299,000 recognised on the Balance Sheet.

The academy held fund balances at 31 August 2022 of £2,491,000 comprising £2,267,000 of restricted funds (including £2,312,000 of restricted fixed asset funds and a pension deficit of £299,000) and £224,000 of unrestricted funds. The in year surplus from restricted general funds and unrestricted funds was £42,000.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 the cost of any unplanned repairs that might be required;  
To cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs; and  
To provide costs for staff sickness and absence cover.

The level of reserves is reviewed by Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the 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 is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted 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; and
- capital expenditure when projects are identified.

As at 31 August 2022 the academy holds available reserves of £478,000, comprising of restricted general funds (excluding pension reserves) of £254,000 and unrestricted funds of £224,000. 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Principal risks and uncertainties**

The principal risks and uncertainties are centered on changes in the level of funding from 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 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.

**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.

**Plans for Future Periods**

The academy will be looking at directing reserves towards:

- Increase the numbers of pupils attaining at expected levels in Writing and greater depth at the end of KS2
- Developing number sense and fluency with number facts in Early Years and KS1 and use of manipulatives in KS2 to promote a deeper understanding of mathematical concepts
- Providing 1:1 and group interventions for target pupils to ensure good progress
- Promoting high attendance and punctuality
- Promoting high levels of emotional wellbeing support for pupils and developing pupils understanding of the fundamental British values of democracy
- Ensuring staff receive high quality training and resources to share good practice and monitor subject provision

**Funds Held as Custodian Trustee on Behalf of Others**

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

**FIRTHMOOR PRIMARY SCHOOL  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit 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 8 December 2022 and signed on its behalf by:

**W G Paton**  
Chair

**FIRTHMOOR PRIMARY SCHOOL**  
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**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 designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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.

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. 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	4	4
V H Pace, Vice Chair	2	4
A Dixon, Headteacher and Accounting Officer	4	4
M Donaldson	4	4
K Howe (appointed 17th February 2022)	1	2
V Johnston	4	4
J Jefferies	2	4
P Irving	4	4
J Newberry (resigned 26th September 2021)	0	0

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. Training and information are tailored to meet the needs of both the individual and the board.

**Conflicts of interest**

Trustees complete an annual Register of Interests which is circulated at or prior to the meeting within the Autumn Term. Interests are declared at each individual meeting held throughout the year. A register is maintained and held within the academy and is published on the school website. Any Trustee who is new to the academy or is absent must complete the Register as soon as possible. The academy will declare or seek approval for an agreement or contract with a related party, before it's confirmed with the supplier.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. The committee formally met 3 times during the year. Its purpose is to ensure sound financial management of the academy's resources including proper planning, monitoring and probity.

**FIRTHMOOR PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
V Johnston ( Chair)	3	3
W G Paton	2	3
A Dixon	3	3
J Jefferies	2	3
M Donaldson	0	3

**Review of value for money**

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

The Accounting Officer considers how the academy'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 or by using a framework 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, utilising working patterns and 1:1 support
- Provide a programme of lesson observations and work scrutinies combined with intensive staff development to ensure pupil progress.
- The joint commissioning of new services, working closely with the NHS and Local Authority
- 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 Academy Trust 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

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**GOVERNANCE STATEMENT (CONTINUED)**

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

**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.

**Review of value for money**

- 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 period 1st September 2021 to 31 August 2022 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 1st September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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 by the Finance and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Tait Walker as internal auditor from September 2021.

**FIRTHMOOR PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The Risk and Control Framework (continued)**

This option has been chosen because The revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial and other 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, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

On an annual basis the internal auditor prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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 financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of external auditor

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit committee and a plan to address weaknesses and ensures continuous improvement of the system in place.



**FIRTHMOOR PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on their behalf by:

**W G Paton**  
Chair

**A Dixon**  
Accounting Officer

**FIRTHMOOR PRIMARY SCHOOL**  
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**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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

**A Dixon**  
Accounting Officer  
Date: 8 December 2022

**FIRTHMOOR PRIMARY SCHOOL**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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 2021 to 2022;
- 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: 8 December 2022

**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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 to management to achieve this.

our

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**FIRTHMOOR PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

**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.

**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 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Firthmoor Primary School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.



**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 Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**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  
Statutory Auditors  
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 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>Income from:</b>						
Donations and capital grants	3	2	-	7	9	35
Other trading activities		1	-	-	1	4
Investments	6	1	-	-	1	5
Charitable activities		17	1,919	-	1,936	1,819
<b>Total income</b>		<u>21</u>	<u>1,919</u>	<u>7</u>	<u>1,947</u>	<u>1,863</u>
<b>Expenditure on:</b>						
Charitable activities		17	2,019	122	2,158	1,933
<b>Total expenditure</b>		<u>17</u>	<u>2,019</u>	<u>122</u>	<u>2,158</u>	<u>1,933</u>
<b>Net income/(expenditure)</b>		4	(100)	(115)	(211)	(70)
Transfers between funds	17	-	(118)	118	-	-
<b>Net movement in funds before other recognised gains</b>		<u>4</u>	<u>(218)</u>	<u>3</u>	<u>(211)</u>	<u>(70)</u>
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension schemes	23	-	1,095	-	1,095	77
<b>Net movement in funds</b>		<u>4</u>	<u>877</u>	<u>3</u>	<u>884</u>	<u>7</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		220	(922)	2,309	1,607	1,600
Net movement in funds		4	877	3	884	7
<b>Total funds carried forward</b>		<u>224</u>	<u>(45)</u>	<u>2,312</u>	<u>2,491</u>	<u>1,607</u>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	13	2,312	2,309
		2,312	2,309
<b>Current assets</b>			
Stocks	14	1	1
Debtors	15	201	204
Cash at bank and in hand		439	495
		641	700
Creditors: amounts falling due within one year	16	(163)	(146)
		478	554
<b>Net current assets</b>		478	554
<b>Total assets less current liabilities</b>		2,790	2,863
<b>Net assets excluding pension liability</b>		2,790	2,863
Defined benefit pension scheme liability	23	(299)	(1,256)
<b>Total net assets</b>		2,491	1,607

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

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	2,312	2,309
Restricted income funds	17	254	334
		2,566	2,643
Restricted funds excluding pension asset	17	2,566	2,643
Pension reserve	17	(299)	(1,256)
		2,267	1,387
<b>Total restricted funds</b>	17	2,267	1,387
<b>Unrestricted income funds</b>	17	224	220
		2,491	1,607
<b>Total funds</b>		2,491	1,607

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 25 to 53 were approved by the Trustees, and authorised for issue on 08 December 2022 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 2022**

	Note	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	62	126
<b>Cash flows from investing activities</b>	20	(118)	(161)
<b>Change in cash and cash equivalents in the year</b>		(56)	(35)
Cash and cash equivalents at the beginning of the year		495	530
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<u>439</u>	<u>495</u>

**FIRTHMOOR PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2021 to 2022 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.

**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.

**FIRTHMOOR PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

• **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.

**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 2022**

**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 2022**

**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.

**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.

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**1. Accounting policies (continued)**

**1.15 Pensions (continued)**

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

**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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £1,989 which has been assessed to be immaterial to the financial statements.

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 £122,000.

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.

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**3. Income from donations and capital grants**

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	2	-	2	27
Capital Grants	-	7	7	8
	2	7	9	35
	1	34	35	
Total 2021				

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**4. Funding for the academy's educational operations**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,401	1,401	1,330
Other DfE/ESFA grants				
Pupil Premium	-	241	241	229
PE and Sport Premium	-	18	18	19
UIFSM	-	18	18	25
Rates	-	8	8	8
Teachers' pay grant	-	2	2	15
Teachers' pension grant	-	4	4	43
Others	-	19	19	-
	-	1,711	1,711	1,669
<b>Other Government grants</b>				
SEN	-	18	18	6
Early Years Funding	-	84	84	68
Local Authority grants	-	2	2	6
Other Government grants	-	5	5	-
	-	109	109	80
<b>Other income from the academy's academy's educational operations</b>	17	-	17	11
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	23
Other DfE/ESFA COVID-19 funding	-	47	47	-
	-	47	47	23
<b>COVID-19 additional funding (non- DfE/ESFA)</b>				
Other COVID-19 funding	-	52	52	36
	-	52	52	36
	17	1,919	1,936	1,819
Total 2021	11	1,808	1,819	

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**5. Other trading activities**

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	1	1	3
Other	-	-	1
	<u>1</u>	<u>1</u>	<u>4</u>
Total 2021	<u>4</u>	<u>4</u>	

**6. Investment income**

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Investment income	<u>1</u>	<u>1</u>	<u>5</u>
Total 2021	<u>5</u>	<u>5</u>	

**7. Expenditure**

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
Direct costs	1,412	-	80	1,492	1,345
Allocated support costs	166	205	295	666	588
<b>Total 2022</b>	<u>1,578</u>	<u>205</u>	<u>375</u>	<u>2,158</u>	<u>1,933</u>
Total 2021	<u>1,405</u>	<u>187</u>	<u>341</u>	<u>1,933</u>	

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**7. Expenditure (continued)**

In 2022, of the total expenditure, £17,000 (2021 - £12,000) was to unrestricted funds and £2,141,000 (2021 - £1,921,000) was to restricted funds.

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

- Compensation payments
- Gifts made by the academy
- 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 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations	1,492	666	2,158	1,933
Total 2021	1,345	588	1,933	

**Analysis of direct costs**

	Total funds 2022 £000	Total funds 2021 £000
Staff costs	1,413	1,279
Educational supplies	56	46
Staff development	2	1
Technology costs	10	14
Educational consultancy	4	2
Other costs	7	3
	<u>1,492</u>	<u>1,345</u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2022 £000	Total funds 2021 £000
Pension finance costs	21	20
Staff costs	165	126
Depreciation	122	102
Technology costs	9	11
Transport	2	-
Maintenance of premises	25	30
Cleaning	28	30
Other premises costs	12	15
Energy	36	23
Rent and rates	8	8
Catering	142	117
RPA fees	8	7
Legal costs - other	-	1
Other support costs	79	87
Governance costs	9	11
	666	588
	666	588

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	2	3
Depreciation of tangible fixed assets	122	102
Fees paid to auditors for:		
- audit	7	7
- other services	1	2
	132	114
	132	114



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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	1,102	995
Social security costs	102	89
Pension costs	340	303
	1,544	1,387
Agency staff costs	33	16
Staff restructuring costs	1	2
	1,578	1,405

Included in pension costs is a debit of £117,000 (2021 : £89,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2022 £000	2021 £000
Redundancy payments	-	2
	-	2

**b. Staff numbers**

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

	2022 No.	2021 No.
Teachers	14	13
Teaching support	18	18
Administration	3	3
Management	3	3
Caretaker	1	1
	39	38

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**10. Staff (continued)**

**c. Higher paid staff**

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

	2022 No.	2021 No.
In the band £80,001 - £90,000	1	1
	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 £268,000 (2021: £211,000).

**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:

		2022 £000	2021 £000
A Dixon (Headteacher and Staff Trustee)	Remuneration	80 - 85	80 - 85
	Pension contributions paid	15 - 20	15 - 20

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year ended 31 August 2022, no Trustees received any reimbursement of expenses (2021 - £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.

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**13. Tangible fixed assets**

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2021	2,511	427	124	3,062
Additions	-	83	42	125
At 31 August 2022	<u>2,511</u>	<u>510</u>	<u>166</u>	<u>3,187</u>
<b>Depreciation</b>				
At 1 September 2021	468	202	83	753
Charge for the year	50	49	23	122
At 31 August 2022	<u>518</u>	<u>251</u>	<u>106</u>	<u>875</u>
<b>Net book value</b>				
At 31 August 2022	<u>1,993</u>	<u>259</u>	<u>60</u>	<u>2,312</u>
At 31 August 2021	<u>2,043</u>	<u>225</u>	<u>41</u>	<u>2,309</u>

**14. Stocks**

	2022 £000	2021 £000
Uniforms	<u>1</u>	<u>1</u>

**15. Debtors**

	2022 £000	2021 £000
Trade debtors	1	-
Short term investments	120	120
VAT debtor	22	27
Prepayments and accrued income	58	57
	<u>201</u>	<u>204</u>

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**16. Creditors: Amounts falling due within one year**

	2022 £000	2021 £000
Trade creditors	66	63
Other taxation and social security	24	24
Other creditors	31	26
Accruals and deferred income	42	33
	163	146
	163	146
	2022 £000	2021 £000
Deferred income at 1 September 2021	14	23
Resources deferred during the year	11	14
Amounts released from previous periods	(14)	(23)
	11	14
	11	14

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

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**17. Statement of funds**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
General Funds	220	21	(17)	-	-	224
<b>Restricted general funds</b>						
General Annual Grant	334	1,401	(1,363)	(118)	-	254
Pupil Premium	-	241	(241)	-	-	-
PE Grant	-	18	(18)	-	-	-
UIFSM	-	18	(18)	-	-	-
Rates	-	8	(8)	-	-	-
Teacher's pay and pension grants	-	6	(6)	-	-	-
Other DfE/ESFA grants	-	19	(19)	-	-	-
SEN	-	18	(18)	-	-	-
Early years funding	-	84	(84)	-	-	-
Local Authority grants	-	2	(2)	-	-	-
Other government grants	-	5	(5)	-	-	-
Other Covid-19 funding	-	47	(47)	-	-	-
DfE/ESFA	-	52	(52)	-	-	-
Other Covid-19 funding	-	52	(52)	-	-	-
Pension reserve	(1,256)	-	(138)	-	1,095	(299)
	(922)	1,919	(2,019)	(118)	1,095	(45)
<b>Restricted fixed asset funds</b>						
Inherited on conversion	2,021	-	(48)	-	-	1,973
DfE/ESFA capital grants	40	7	(19)	-	-	28

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**17. Statement of funds (continued)**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Capital expenditure from GAG	218	-	(43)	118	-	293
PE Grant	4	-	(1)	-	-	3
Big Lottery	4	-	(2)	-	-	2
ESFA donations	22	-	(9)	-	-	13
	<u>2,309</u>	<u>7</u>	<u>(122)</u>	<u>118</u>	<u>-</u>	<u>2,312</u>
<b>Total Restricted funds</b>	<u>1,387</u>	<u>1,926</u>	<u>(2,141)</u>	<u>-</u>	<u>1,095</u>	<u>2,267</u>
<b>Total funds</b>	<u><u>1,607</u></u>	<u><u>1,947</u></u>	<u><u>(2,158)</u></u>	<u><u>-</u></u>	<u><u>1,095</u></u>	<u><u>2,491</u></u>

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 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.

Universal Infant Free School Meals is funding to provide a free school lunch to all pupils in reception, year 1 and year 2.

PE and sport premium grant is funding to promote PE and sport.

Other DfE/ESFA funding includes the supplementary grant which is additional high needs funding this year.

Early Years funding is received in relation to the support of three and four year old children.

Other income from the local authority is funding in respect of children with additional needs.

Other government grants includes the HMRC SSP grant.

Other Covid-19 funding (DfE/ESFA) includes the recovery premium which is used to fund specific activities to support the pupils' education recovery. This also includes the School-led tutoring grant which is used to support disadvantaged pupils in catch up learning.

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

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

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.

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**17. Statement of funds (continued)**

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

A transfer of £118,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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 2022.

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds	211	21	(12)	-	-	220
<b>Restricted general funds</b>						
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 and pension grants	-	15	(15)	-	-	-
Teacher's pension grant	-	43	(43)	-	-	-
SEN	-	6	(6)	-	-	-
Early Years Funding	-	68	(68)	-	-	-
Local Authority grants	-	6	(6)	-	-	-
Other government grants	-	23	(23)	-	-	-
Other Covid-19 funding						
DfE/ESFA	-	36	(36)	-	-	-
Pension reserve	(1,224)	-	(109)	-	77	(1,256)
	(827)	1,808	(1,819)	(161)	77	(922)

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**17. Statement of funds (continued)**

**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
	<u>2,216</u>	<u>34</u>	<u>(102)</u>	<u>161</u>	<u>-</u>	<u>2,309</u>
<b>Total Restricted funds</b>	<u>1,389</u>	<u>1,842</u>	<u>(1,921)</u>	<u>-</u>	<u>77</u>	<u>1,387</u>
<b>Total funds</b>	<u><u>1,600</u></u>	<u><u>1,863</u></u>	<u><u>(1,933)</u></u>	<u><u>-</u></u>	<u><u>77</u></u>	<u><u>1,607</u></u>



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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	2,312	2,312
Current assets	231	410	-	641
Creditors due within one year	(7)	(156)	-	(163)
Provisions for liabilities and charges	-	(299)	-	(299)
<b>Total</b>	<u>224</u>	<u>(45)</u>	<u>2,312</u>	<u>2,491</u>

**Analysis of net assets between funds - prior 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)
<b>Total</b>	<u>220</u>	<u>(922)</u>	<u>2,309</u>	<u>1,607</u>

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**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(211)	(70)
<b>Adjustments for:</b>		
Depreciation	122	102
Capital grants from DfE and other capital income	(7)	(34)
Defined benefit pension scheme cost less contributions payable	117	89
Defined benefit pension scheme finance cost	21	20
Decrease/(increase) in debtors	3	(20)
Increase in creditors	17	39
<b>Net cash provided by operating activities</b>	<b>62</b>	<b>126</b>

**20. Cash flows from investing activities**

	2022 £000	2021 £000
Purchase of tangible fixed assets	(125)	(195)
Capital grants from DfE Group	7	34
<b>Net cash used in investing activities</b>	<b>(118)</b>	<b>(161)</b>

**21. Analysis of cash and cash equivalents**

	2022 £000	2021 £000
Cash in hand and at bank	439	495
<b>Total cash and cash equivalents</b>	<b>439</b>	<b>495</b>

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**22. Analysis of changes in net debt**

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	495	(56)	439
	495	(56)	439
	495	(56)	439

**23. 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 2022 (2021 - £25,000) 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. 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 2024.

The employer's pension costs paid to TPS in the year amounted to £139,000 (2021 - £138,000).

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 2022 was £107,000 (2021 - £97,000), of which employer's contributions totalled £84,000 (2021 - £76,000) and employees' contributions totalled £ 23,000 (2021 - £19,000). The agreed contribution rates for future years are 17.5% for employers and 5.5-12.5% for employees.

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

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

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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	2022	2021
	%	%
Rate of increase in salaries	3.70	3.60
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.10	1.70
Inflation assumption (CPI)	2.70	2.60
Commutation of pensions to lump sums	85.00	85.00
	<u>85.00</u>	<u>85.00</u>

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

	2022	2021
	Years	Years
Retiring today		
Males	22.1	22.3
Females	24.2	24.3
Retiring in 20 years		
Males	23.2	23.3
Females	25.7	25.8
	<u>25.7</u>	<u>25.8</u>

**Sensitivity analysis**

	2022	2021
	£000	£000
Discount rate +0.1%	(46)	(70)
Discount rate -0.1%	48	73
Mortality assumption - 1 year increase	(56)	(112)
Mortality assumption - 1 year decrease	56	115
CPI rate +0.1%	38	58
CPI rate -0.1%	(38)	(58)
	<u>(38)</u>	<u>(58)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Pension commitments (continued)**

**Share of scheme assets**

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

	2022 £000	2021 £000
Equities	924	1,006
Government bonds	191	275
Corporate bonds	74	307
Property	142	110
Cash and other liquid assets	24	78
Multi asset credit	245	-
Other	90	-
<b>Total market value of assets</b>	<u>1,690</u>	<u>1,776</u>

The actual return on scheme assets was £175,000 (2021 - £290,000).

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

	2022 £000	2021 £000
Current service cost	(201)	(165)
Interest income	31	25
Interest cost	(52)	(45)
<b>Total</b>	<u>(222)</u>	<u>(185)</u>

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

	2022 £000	2021 £000
<b>Opening defined benefit obligation</b>	3,032	2,657
Current service cost	201	165
Interest cost	52	45
Employee contributions	23	21
Actuarial (gains)/losses	(1,301)	188
Benefits paid	(18)	(44)
<b>Closing defined benefit obligation</b>	<u>1,989</u>	<u>3,032</u>

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**23. Pension commitments (continued)**

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

	2022 £000	2021 £000
<b>Opening fair value of scheme assets</b>	1,776	1,433
Interest income	31	25
Actuarial (losses)/gains	(206)	265
Employer contributions	84	76
Employee contributions	23	21
Benefits paid	(18)	(44)
<b>Closing fair value of scheme assets</b>	1,690	1,776

**24. Operating lease commitments**

At 31 August 2022 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
<b>AMOUNTS PAYABLE:</b>		
Within one year	2	2
Between one and five years	1	3
	3	5

**25. 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 Academy Trust Handbook 2021, 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 £3,600 (2021 : £3,250) 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 Academy Trust Handbook 2021 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.