

Company Registration No. 07721594 (England and Wales)

THE CORBET SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE CORBET SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of Governors' responsibilities	16
Independent auditor's report on the accounts	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 43

THE CORBET SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

	Mr J M Golland
	Mr R G Ford
- Chair	Ms H Scarisbrick
	Mr C Jones (left 31/08/2019)

Governors

Mr P N Adams (Head Teacher) (Resigned 31 August 2019)
Ms S Appleby
Mr R D Bothwell
Ms D Brooks (Resigned 17 January 2019)
Mr A Davies
Ms S Doubleday (Resigned 22 October 2018)
Mr R G Ford
Ms F M Gerrard
Mr J M Golland
Ms N M Hopwood-Clarke
Ms M J M Hurdley (Resigned 20 October 2019)
Ms V J Hussein
Ms N H Jebb (Resigned 21 October 2018)
Mr C J Jones (Resigned 31 August 2019)
Ms J D Kear
Ms H T Scarisbrick (Chair)
Mr N A Storey
Mr M Sturgess (Resigned 19 August 2019)
Ms L Cork (Appointed 17 December 2018)
Mr J Staniforth (Appointed 18 November 2018)
Mr A Clark (Appointed 8 April 2019)
Mr D Goodall (Appointed 8 April 2019)
Dr J M Tinker (Head Teacher) (Appointed 1 September 2019)

Senior leadership team

- Head Teacher - resigned 31.08.19	Mr P N Adams
- Head Teacher - appointed 01.09.19	Dr J Tinker
- Business Manager	Mr K Rendell
- Assistant Head Teacher	Mr G Simms
- Assistant Head Teacher	Mrs A Millward
- Assistant Head Teacher	Mrs R V Stokes

Company secretary

Mr K Rendell

Company registration number

07721594 (England and Wales)

Registered office

Eyton Lane
Baschurch
Shrewsbury
Shropshire
SY4 2AX

THE CORBET SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	McIntocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR
Bankers	NatWest Bank plc 17 Church Street Oswestry Shropshire SY11 2SX
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

THE CORBET SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors who are also directors of the Academy for the purposes of the Companies Act 2006, present their report with the financial statements of the Academy for the year ended 31 August 2018. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency

Structure, governance and management

Constitution

The Corbet School is an exempt charity and a company limited by guarantee, not having a share capital.

The principal activity of The Corbet School is to establish, maintain and develop a secondary school for children aged between 11 and 16 years, offering a broad based and balanced curriculum for the benefit of individuals living in Baschurch and the surrounding area. The school has a capacity of 744 and had a roll of 710 in the census of January 2019.

In addition it will also provide the public at large the provision of facilities for recreation or other leisure activity in the interest of social welfare, with the objective of improving the condition of life of the said individuals.

The Corbet School was originally a local authority operated school, with periods as 'Grant Maintained' and 'Foundation' school. It was founded in 1957 and converted to academy status on 1st September 2011. The charitable company was incorporated on 28th July 2011.

The Academy School is governed by rules and regulations set down in its company Memorandum and Articles of Association dated 8th August 2011.

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.

Method of recruitment and appointment or election of Governors

The Governors have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New governors will then be sought with these skills, either as additional governors or replacement governors when existing governors stand down. It is anticipated that the great majority of new governors will be drawn from the local community being either parents or guardians of pupils at the school or others that have shown an interest in the future well-being of the school and its pupils. Recruitment is therefore likely to be a combination of approaches to individuals with known skills and by wider communications to those within Baschurch and the surrounding area.

There are four categories of Governor, 'Parent', 'Staff', 'Community', and 'Co-opted' Parents and Staff. Governors are nominated by election, with Community and Co-opted Governors by nomination. The term of office for any Governor shall be 4 years, save that this time limit will not apply to the Head Teacher.

The Board of Governors will carry out regular audits to identify skills, knowledge and experience present within the collective. At the time of recruitment the Governors will seek to attract any skills that are missing from the Board collectively.

The Corbet School supports both individual and groups of governors, in attending training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of Governors

The Corbet School supports both individual and groups of governors, in attending training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

Organisational structure

The Governors have responsibility for setting and monitoring overall strategic direction of the charitable company, approving decisions reserved to governors and appointing key members of staff.

The Governors meet as a board six times each year. All decisions reserved to the governors are taken by the board as a whole. The main committees also met six times per year, with specific committees only operating when there is a matter arising that meets the Terms of Reference for that committee.

The committees are:

- Finance & Premises
- Curriculum
- Staffing & Personnel
- Admissions
- Heads Performance Review
- Marketing
- Staff Dismissal
- Staff Dismissal Appeals
- Complaints
- Pupil Welfare
- Pupil Discipline

Additionally, ad hoc groups of governors are established to consider specific issues and make recommendations to the board.

The school appoints a Responsible Officer who has an oversight role in relation to the systems and processes of financial control and risk management that operate throughout The Corbet School.

The Head Teacher is the Accounting Officer and works closely with both the other governors and the senior staff of The Corbet School.

The day-to-day management of The Corbet School rests with the Head Teacher who has overall responsibility for the school. The Head Teacher is responsible for ensuring a Senior Leadership Team, including the Deputy Head, Assistant Heads, and the Business Manager.

Operations

The School Leadership Team, together with other managerial colleagues prepare both annual and long term development plans which are presented for approval to the relevant Committees and the Board of Governors.

Each committee has Terms of Reference, which outline the responsibilities, and the delegated authority limits where applicable. The Terms of Reference are reviewed annually at the start of the academic year.

The Board of Governors consists of 18 Governors including the Head Teacher. There are 4 Staff Governors (including the Head Teacher), 6 Parent Governors, 5 Community Governors and 3 Co-opted Governors. In order for a quorum to be present there must be at least 50% of the Governors present at a meeting. This rises to 2/3rds of those currently in post for the elections to committees which usually takes place during the first Board meeting of the year.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Finance & Premises Committee has a membership of 6 Governors of which 3 must be present to reach a quorum. The main responsibilities are in respect of financial policy and operations which are detailed in the School Finance Manual, and receiving reports from the Responsible Officer. Premises responsibilities include the maintenance of the estate and all aspects of Health & Safety.

The Curriculum Committee has a membership of 6 Governors of which 3 must be present to reach a quorum. The main responsibilities are in respect of reviewing the school curriculum, setting objectives and monitoring pupil performance against those targets which will include academic, attendance and behaviour measures.

The Staffing & Personnel Committee has a membership 5 Governors of which 3 must be present to reach a quorum. Personnel responsibilities include the annual review of the staff establishment, introduction and review of personnel policies and procedures, together with all industrial relations. Staff members are not eligible to contribute or vote on issues regarding individual staff pay which is also considered by this committee.

The Head Teachers Performance Review Committee has a membership 4 Governors of which 3 must be present to reach a quorum. Staff members are not eligible for this committee. The committee is responsible for the agreement of the Head Teacher's performance objectives after considering advice from the School Improvement Partner. They will also monitor performance against objectives in the Head's performance review.

The Admissions Committee has a membership of 5 Governors of which 3 must be present to reach a quorum. The committee is responsible for the School Admissions Policy and the allocation of school places for the following school year. The committee will also consider appeals from unsuccessful applicants.

The Marketing Committee has a membership of 4 Governors of which 3 must be present to reach a quorum. The committee is responsible for the school marketing including the School Prospectus and mandatory publications.

The Staff Dismissal Committee has a membership of 4 Governors of which 3 must be present to reach a quorum. The Chair of the Board of Governors and Staff members are not eligible for this committee. The committee is involved in the disciplinary and grievance procedures for staff.

The Staff Dismissal Appeals Committee has a membership of 4 Governors of which 3 must be present to reach a quorum. The Chair of the Board of Governors will lead the committee. The committee is responsible for hearing any appeal against a Decision of the Staff Dismissal committee, or any appeal against a decision of another committee, an individual Governor or the Head Teacher.

The Pupil Discipline Committee has a membership of 4 Governors of which 3 must be present to reach a Quorum. The Committee will consider the school principles on discipline and review individual cases of fixed term exclusion.

The Complaints Committee has a membership of 4 Governors of which 3 must be present to reach a quorum.. Staff members are not eligible for this committee. The committee shall consider any formal complaint that the Head Teacher and the Chair of Governors have been unable to resolve under the school complaints procedure.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration policies are agreed annually by the Full Governing Body following the recommendation of the Staffing & Personnel Committee. The school complies with the nationally negotiated Teachers Pay & Conditions and are applied in line with local union negotiations.

The level of remuneration for The Head Teacher is set in accordance with the Head Teacher ranges detailed in the Teachers Pay & Conditions document. The remaining Senior Leadership posts are in accordance with ranges on the Leadership Spine as agreed by the Full Governing Body.

The Corbet School supports Trade Union representatives taking reasonable paid time off from their regular job to enable them to perform their union duties and to undertake relevant training. Trade union members, including representatives, may also ask for unpaid time off to undertake activities. Together, these arrangements constitute facility time.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

1.00

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

1

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

3,094,562

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

Related parties and other connected charities and organisations

The charitable company has no formal links with any related parties, however it does co-operate with other local primary and secondary schools to advance the quality of education for all pupils.

The charitable company does not have representation on any other body.

Objectives and activities

Objects and aims

The charitable objectives for which the charitable company was established are set down in the governing document as follows:

The principal activity of The Corbet School is to establish, maintain and develop a secondary school for children aged 11 – 16 years, offering a broad based and balanced curriculum for the benefit of individuals living in Baschurch and the surrounding area.

In addition it will also provide the public at large the provision of facilities for recreation or other leisure activities in the interest of social welfare, with the objective of improving the condition of life of the said individuals.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The school vision statement informs that 'we are a school where excellence, innovation and tradition, meet to fulfil the needs and aspirations of all members of our school community.'

In support of this the School Values are to :-

- Positively embrace change.
- Promote health for learning.
- Celebrate Achievement.
- Empower the individual.
- Be a vital part of the community.
- Provide innovative high-quality teaching.
- Inclusion at all levels.
- Promoting & preparing responsible citizens.
- Encourage independence.
- Instill a desire for lifelong learning.
- Promote high standards.
- Care for individuals.

Objectives, strategies and activities

Public benefit

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefits contained within this governors' annual report.

In accordance with its charitable objectives, the charitable company strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of Academy School's activities, as indicated.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

The school has continued to operate as an 11- 16 secondary school serving the area between Shrewsbury and Oswestry centred around the village of Baschurch in Shropshire. The number of pupils has increased from 697 to 710 and is expected to increase again in the next few years. The school was last inspected by Ofsted in February 2017 when it was judged as 'continuing to be good, with effective safeguarding'

The school completed phase 1 of the Science Laboratory refurbishment, with the support of a £50,000 grant from the Wolfson Foundation. The Corbet Friends Association also contributed over £10,000 towards the project cost of £140,000. The school is now looking to complete Phase 2 as soon as possible at an estimated cost of £100,000.

The year has also seen a restructure of our Pastoral Team, to increase available support for our pupils. The team will be better placed to provide the highest standard of care for our students, which is the bedrock on which effective learning can thrive.

We continue to provide a broad and balanced curriculum that can cater for the whole ability range and is accessible for all pupils.

We continue to work with our feeder primary schools to ensure there is a collaborative approach to local education, which supports the transition of pupils from primary to the secondary phase.

The school continues to produce both drama and music productions, and offers a wide variety of trips that support the curriculum and other extra-curricular activities.

Our sports teams continue to compete locally, and we support our feeder primary schools with sports co-ordination resource.

Key performance indicators

The governors use the following key measures to assess the success of the activities of the charitable company

- Examination Results
- Attendance Measures
- Behaviour Monitoring
- Achievement against Targets (FFT)
- Financial Monitoring against budget
- Responsible Officer Reports & Annual Audit

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Impact of Activities & Events and Assessment of Public Benefit

The school has had another excellent year of academic results.

Overall Progress 8 was at 0.5 which is significantly above the national average and is in the highest 20% of all schools for the second year running.

78% of pupils achieved grades 9-4 in English & Maths, with 60% achieving grades 9-5.

82% of pupils achieved grades 9-4 in Science related subjects, with 70% achieving grades 9-5 in at least 2 Science related subjects.

Behaviour monitoring continues to demonstrate that behaviour is well managed and attendance levels continue to show that pupils want to come to school.

The behaviour record and sustained academic achievement continues to ensure that the school is very popular, which is evidenced by a high demand for places from both within and outside the school catchment area.

The school continues to manage its finances and resources very carefully. Regular reports are made to Governors which detail any variance to the budget plan. Actual performance has been closely aligned to the budget plan for a number of years and this has continued in the current period.

Going concern

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

Financial review

The school continues to monitor finances very closely as funding pressures have an increasing impact on school operations. The school remains successful and is attracting a good level of interest from future pupils. The number on roll has increased this year (697 to 710) and is predicted to continue to increase slightly over the next few years. There is a substantial level of property development within the catchment area which is expected to have a positive impact on school numbers over the longer term.

The level of funding received is primarily based on the number of pupils on roll from the previous October Census, and as pupil numbers increase there is therefore a time lag in funding. The school has a positive cashflow and there is no pressure on the school in respect of meeting its commitments and liabilities.

Tight financial management during the current year has enabled school to return a small budget surplus equal to approximately 1% of income. This has provided additional funds to support the second phase of the Science refurbishment project planned for next year.

The building continues to be the main school asset with the Local Government Pension Scheme deficit the main liability.

The school ends the year in a positive financial position, with sufficient cash reserves to continue to operate effectively. The school remains committed to ensuring a long term balanced budget is maintained.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the charitable company had reserves of £3,237,150.

Investment policy

The governors' investment powers are set down in the charitable company's Memorandum and Articles of association, which permits the investment of monies of the charitable company that are not immediately required for its purpose in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The charitable company's current policy is to invest surplus funds in short-term cash deposits, where there is no risk to the capital invested.

Principal risks and uncertainties

The school manages the risk to its Capital Funds by limiting investments to Bank/Building Society accounts where there is no risk to the capital invested.

Surplus funds are held in interest bearing accounts and transferred to support expenditure in accordance with the monthly cash flow reconciliation.

The school usually operates on a 30 days credit terms and has monitoring systems in place to manage outstanding amounts.

The Local Government Pension Scheme is the major liability, although this has been underwritten by Central Government.

The school Risk Management Framework accepts that there will be an element of risk in some operations and seeks to manage the risk within acceptable limits. Strategic and operational risk are both considered by the Finance & Premises Committee, which also undertakes the audit function.

The principle risks are considered to be:

- Protection of Pupils, Staff and Visitors
- Protection of School Property & Assets
- Maintaining the School Reputation and Numbers on Roll
- Fraud & Financial Mismanagement
- Establishing a High Quality Staff
- Security of Data & Information
- Critical Failure ceasing Operations

The risks are actively managed by a programme of Risk Management & Internal Controls.

THE CORBET SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The School receives donations from Parents on an annual basis and claims Gift Aid on these donations where eligible. In addition there are a number of fund raising days throughout the year where pupils raise funds for the school and other selected charities.

The Corbet Friends Association support the school with fundraising events and contribute funds towards the purchase of equipment and improvements to facilities in accordance with priorities agreed with school. An example of this would be their contribution to the Science Project where they donated over £10,000.

Plans for future periods

The school is determined to maintain its reputation as one of the top performing schools in Shropshire. The school therefore undertakes to recruit and develop a highly skilled workforce, and combines this with tight financial management and effective leadership to ensure the pupils always remain the prime focus.

The school will continue to seek funding opportunities in respect of the school estate to provide a positive learning environment.

The school will continue to work together with our primary feeder schools, and other local stakeholders and seek opportunities for mutual benefit.

Funds held as custodian trustee on behalf of others

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The Corbet School does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

Auditor

In so far as the Governors are aware:

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

The auditors, McLintocks (NW) Limited, have been re-appointment at the Annual General Meeting on 21st October 2019.

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 09 December 2019 and signed on its behalf by:

Ms H T Scarisbrick

Chair

Helen Scarisbrick

THE CORBET SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Mr P N Adams (Head Teacher) (Resigned 31 August 2019)	6	6
Ms S Appleby	5	6
Mr R D Bothwell	6	6
Ms D Brooks (Resigned 17 January 2019)	0	2
Mr A Davies	6	6
Ms S Doubleday (Resigned 22 October 2018)	0	1
Mr R G Ford	6	6
Ms F M Gerrard	5	6
Mr J M Golland	6	6
Ms N M Hopwood-Clarke	5	6
Ms M J M Hurdley (Resigned 20 October 2019)	6	6
Ms V J Hussein	6	6
Ms N H Jebb (Resigned 21 October 2018)	0	0
Mr C J Jones (Resigned 31 August 2019)		
Ms J D Kear	5	6
Ms H T Scarisbrick (Chair)	6	6
Mr N A Storey	4	6
Mr M Sturgess (Resigned 19 August 2019)	5	6
Ms L Cork (Appointed 17 December 2018)	5	5
Mr J Staniforth (Appointed 18 November 2018)	5	5
Mr A Clark (Appointed 8 April 2019)	3	3
Mr D Goodall (Appointed 8 April 2019)	3	3
Dr J M Tinker (Head Teacher) (Appointed 1 September 2019)		

The Finance and Premises Committee is a sub-committee of the main board of governors. Its purpose is to provide the finance and management control for the Academy.

THE CORBET SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr P N Adams (Head Teacher) (Resigned 31 August 2019)	6	6
Mr R D Bothwell	6	6
Mr A Davies	6	6
Mr J M Golland	5	6
Ms N M Hopwood-Clarke	4	6
Ms N H Jebb (Resigned 21 October 2018)	1	1
Ms J D Kear	5	6
Ms H T Scarisbrick (Chair)	5	6

Review of value for money

As Accounting Officer the Principal has responsibility for ensuring that the Academy Trust continues to deliver value for money in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting officer considers how the Trust's use of 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. Data benchmarking and local school comparisons are utilised to drive improvement where available.

The Accounting officer has delivered improved value for money during the current year in many ways, including the following:-

Natural staff turnover in Support Staff teams has enabled positions to be reviewed and reflect school priorities, resulting in some posts not being replaced. Other teams have been reviewed to ensure the membership is the most appropriate and cost effective for the future.

Best value procurement and fair competition practices continue to be applied through quotation and tender procedures which are applied to purchases above £1,000. Tender processes this year have included Teachers Absence Insurance , Installation of LED lighting, and a new ICT Infrastructure and support service.

Future capital funding bids will continue to focus on areas that will also contribute to the fabric and condition of the school, to ensure a positive learning environment is maintained, and to ensure the safety and wellbeing of pupils and staff.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Corbet School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

THE CORBET SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- Regular reviews by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed McLintocks Ltd, the external auditor, to perform additional checks. The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period include:-

- Financial Systems & Procedures
- Compliance with the Academies Financial Handbook

The Internal Auditor reports to the board of trustees, through the audit item on the Finance & Premises Committee, on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material items of significance reported for the year ending 31st August 2019.

Review of effectiveness

As accounting officer the principal 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 responsible officer
- The work of the external auditor;
- The financial management process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of governors on 09 December 2019 and signed on its behalf by:

Ms H T Scarisbrick
Chair

Helen Scarisbrick

Dr J M Tinker
Head Teacher

J M Tinker

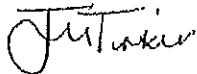
THE CORBET SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of The Corbet School I have considered my responsibility to notify the academy trust board of governors 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Dr J M Tinker
Accounting Officer

09 December 2019

THE CORBET SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who act as trustees for The Corbet School and are also the directors of The Corbet School for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on 09 December 2019 and signed on its behalf by:

Helen Scarisbrick

Ms H T Scarisbrick
Chair

THE CORBET SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CORBET SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of The Corbet School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

THE CORBET SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CORBET SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

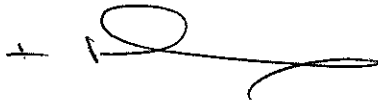
THE CORBET SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CORBET SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited

12.12.19

Chartered Accountants
Statutory Auditor

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

THE CORBET SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORBET SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 5 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Corbet School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Corbet School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Corbet School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Corbet School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Corbet School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Corbet School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes
- Review of Internal Assurance reports
- Review of Register of Interests
- Review of related party transactions
- Review of internal control procedures
- Review of capital expenditure tendering process

THE CORBET SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McLintocks (NW) Ltd.

Reporting Accountant
McLintocks (NW) Limited

Dated: 18.12.19.

THE CORBET SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	-	-	111,347	111,347	105,408
Charitable activities:						
- Funding for educational operations	4	24,507	3,615,533	-	3,640,040	3,415,045
Other trading activities	5	23,548	-	-	23,548	17,885
Investments	6	385	-	-	385	3,462
Total		48,440	3,615,533	111,347	3,775,320	3,541,800
Expenditure on:						
Raising funds	7	4,196	-	-	4,196	3,596
Charitable activities:						
- Educational operations	8	-	3,812,908	172,456	3,985,364	3,675,702
Total	7	4,196	3,812,908	172,456	3,989,560	3,679,298
Net income/(expenditure)		44,244	(197,375)	(61,109)	(214,240)	(137,498)
Transfers between funds	17	(88,613)	9,375	79,238	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(528,000)	-	(528,000)	236,000
Net movement in funds		(44,369)	(716,000)	18,129	(742,240)	98,502
Reconciliation of funds						
Total funds brought forward		177,100	(1,087,000)	4,889,290	3,979,390	3,880,888
Total funds carried forward		132,731	(1,803,000)	4,907,419	3,237,150	3,979,390

THE CORBET SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	-	105,408	105,408
Charitable activities:					
- Funding for educational operations	4	18,656	3,396,389	-	3,415,045
Other trading activities	5	17,885	-	-	17,885
Investments	6	3,462	-	-	3,462
Total		40,003	3,396,389	105,408	3,541,800
Expenditure on:					
Raising funds	7	3,596	-	-	3,596
Charitable activities:					
- Educational operations	8	-	3,522,924	152,778	3,675,702
Total	7	3,596	3,522,924	152,778	3,679,298
Net income/(expenditure)		36,407	(126,535)	(47,370)	(137,498)
Transfers between funds	17	(10,243)	21,535	(11,292)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	236,000	-	236,000
Net movement in funds		26,164	131,000	(58,662)	98,502
Reconciliation of funds					
Total funds brought forward		150,935	(1,218,000)	4,947,953	3,880,888
Total funds carried forward		177,099	(1,087,000)	4,889,291	3,979,390

THE CORBET SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		4,833,563		4,893,058
Current assets					
Debtors	13	47,327		40,737	
Cash at bank and in hand		299,119		294,022	
		346,446		334,759	
Current liabilities					
Creditors: amounts falling due within one year	14	(94,640)		(127,177)	
Net current assets			251,806		207,582
Total assets less current liabilities			5,085,369		5,100,640
Creditors: amounts falling due after more than one year	15		(45,219)		(34,250)
Net assets before defined benefit pension scheme liability			5,040,150		5,066,390
Defined benefit pension scheme liability	19		(1,803,000)		(1,087,000)
Total net assets			3,237,150		3,979,390
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			4,907,419		4,889,291
- Pension reserve			(1,803,000)		(1,087,000)
Total restricted funds			3,104,419		3,802,291
Unrestricted income funds	17		132,731		177,099
Total funds			3,237,150		3,979,390

The accounts on pages 22 to 43 were approved by the Governors and authorised for issue on 09 December 2019 and are signed on their behalf by:

Ms H T Scarisbrick
Chair

Company Number 07721594

Helen Scarisbrick

THE CORBET SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(4,643)		21,251
Cash flows from investing activities					
Dividends, interest and rents from investments		385		3,462	
Capital grants from DfE Group		51,099		101,778	
Capital funding received from sponsors and others		60,248		3,630	
Purchase of tangible fixed assets		(112,961)		(363,310)	
Net cash used in investing activities			(1,229)		(254,440)
Cash flows from financing activities					
Repayment of other loan		10,969		(6,000)	
Net cash provided by/(used in) financing activities			10,969		(6,000)
Net increase/(decrease) in cash and cash equivalents in the reporting period			5,097		(239,189)
Cash and cash equivalents at beginning of the year			294,022		533,211
Cash and cash equivalents at end of the year			<u>299,119</u>		<u>294,022</u>

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Corbet School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	Land not depreciated, 2% straight line
Property Improvements	5% straight line
Computer equipment	20-33.3% straight line
Fixtures, fittings & equipment	15-20% straight line

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

1.10 Pensions benefits

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

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Funding Agency and the Department for Education.

1.12 Concessionary loans

Concessionary loans are initially recognised as a liability at the amount received, with the carrying amount being adjusted in subsequent years to reflect repayments made.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	51,099	51,099	101,778
Other donations	-	60,248	60,248	3,630
	-	111,347	111,347	105,408

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,301,825	3,301,825	3,100,274
Other DfE group grants	-	157,655	157,655	143,105
	-	3,459,480	3,459,480	3,243,379
Other government grants				
Local authority grants	-	138,233	138,233	136,507
Other funding				
Other incoming resources	24,507	17,820	42,327	35,159
Total funding	24,507	3,615,533	3,640,040	3,415,045

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	6,686	-	6,686	4,274
Catering income	9,500	-	9,500	6,076
Reprographic sales	2,908	-	2,908	3,877
Other income	4,454	-	4,454	3,658
	<u>23,548</u>	<u>-</u>	<u>23,548</u>	<u>17,885</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	385	-	385	87
Other investment income	-	-	-	3,375
	<u>385</u>	<u>-</u>	<u>385</u>	<u>3,462</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	-	-	4,196	4,196	3,596
Academy's educational operations					
- Direct costs	2,183,205	172,456	165,413	2,521,074	2,394,135
- Allocated support costs	1,087,933	147,417	228,940	1,464,290	1,281,567
	<u>3,271,138</u>	<u>319,873</u>	<u>398,549</u>	<u>3,989,560</u>	<u>3,679,298</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	4,750	4,750
- Other services	991	1,578
Depreciation of tangible fixed assets	172,456	152,778
Net interest on defined benefit pension liability	<u>32,000</u>	<u>31,000</u>

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	2019 £	2018 £
All from restricted funds:		
Direct costs		
Educational operations	2,521,074	2,394,135
Support costs		
Educational operations	1,464,290	1,281,567
	<u>3,985,364</u>	<u>3,675,702</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	1,087,933	925,914
Technology costs	48,220	46,752
Premises costs	147,417	162,646
Other support costs	174,979	139,927
Governance costs	5,741	6,328
	<u>1,464,290</u>	<u>1,281,567</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	2,447,247	2,284,588
Social security costs	192,917	206,637
Pension costs	581,935	466,446
Amounts paid to employees	<u>3,222,099</u>	<u>2,957,671</u>
Agency staff costs	49,039	51,807
Amounts paid to staff	<u>3,271,138</u>	<u>3,009,478</u>
Staff development and other staff costs	26,522	26,537
Total staff expenditure	<u>3,297,660</u>	<u>3,036,015</u>

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	33	32
Administration and support	35	31
Management	6	6
	<u>74</u>	<u>69</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,0001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £427,046 (2018 £419,147).

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Governors' remuneration and expenses

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

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

P Adams (principal and trustee):

- Remuneration £80,000 - £85,000 (2018: £80,000 - £85,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000-£15,000)

F Gerrard (staff trustee):

- Remuneration £40,000 - £45,000 (2018: £40,000-£45,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000-£10,000)

J Kear (staff trustee):

- Remuneration £20,000 - £25,000 (2018: £20,000-£25,000)
- Employer's pension contributions £0 - £5,000 (2018: £0- £5,000)

D Goodall (staff trustee):

- Remuneration £35,000 - £40,000 (2018: n/a)
- Employer's pension contributions £5,000 - £10,000 (2018: n/a)

During the year, travel and subsistence payments totalling £ Nil (2018: £ Nil) were reimbursed or paid directly to 0 Governors (2018: 0 Governors).

Other related party transactions involving the Governors are set out within the related parties note.

11 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Land and buildings	Property improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	4,535,065	983,868	152,436	240,069	5,911,438
Transfer on conversion	-	(38,366)	-	38,366	-
Additions	-	-	12,420	100,541	112,961
At 31 August 2019	4,535,065	945,502	164,856	378,976	6,024,399
Depreciation					
At 1 September 2018	555,130	124,810	125,046	213,394	1,018,380
Charge for the year	79,257	47,239	15,675	30,285	172,456
At 31 August 2019	634,387	172,049	140,721	243,679	1,190,836
Net book value					
At 31 August 2019	3,900,678	773,453	24,135	135,297	4,833,563
At 31 August 2018	3,979,935	859,058	27,390	26,675	4,893,058

13 Debtors

	2019 £	2018 £
Trade debtors	3,053	4,104
VAT recoverable	8,313	7,274
Other debtors	-	408
Prepayments and accrued income	35,961	28,951
	47,327	40,737

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Other loans	6,000	6,000
Trade creditors	16,163	51,538
Accruals and deferred income	72,477	69,639
	94,640	127,177

15 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other loans	45,219	34,250

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

15	Creditors: amounts falling due after more than one year	(Continued)	
		2019	2018
	Analysis of loans		
	Wholly repayable within five years	51,219	40,250
	Less: included in current liabilities	(6,000)	(6,000)
	Amounts included above	<u>45,219</u>	<u>34,250</u>
	Loan maturity.		
	Debt due in one year or less	6,000	6,000
	Due in more than one year but not more than two years	6,000	6,000
	Due in more than two years but not more than five years	18,000	18,000
	Due in more than five years	21,219	10,250
		<u>51,219</u>	<u>40,250</u>

The above loans are Salix Loans received from the ESFA, these loans are interest free and repayable over 8 years.

16	Deferred income	2019	2018
		£	£
	Deferred income is included within:		
	Creditors due within one year	<u>5,334</u>	<u>5,794</u>
	Deferred income at 1 September 2018	5,794	7,807
	Released from previous years	(5,794)	(7,807)
	Resources deferred in the year	<u>5,334</u>	<u>5,794</u>
	Deferred income at 31 August 2019	<u>5,334</u>	<u>5,794</u>

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	3,301,825	(3,311,200)	9,375	-
Other DfE / ESFA grants	-	157,655	(157,655)	-	-
Other government grants	-	138,233	(138,233)	-	-
Other income	-	17,820	(17,820)	-	-
Pension reserve	(1,087,000)	-	(188,000)	(528,000)	(1,803,000)
	<u>(1,087,000)</u>	<u>3,615,533</u>	<u>(3,812,908)</u>	<u>(518,625)</u>	<u>(1,803,000)</u>
Restricted fixed asset funds					
Inherited on conversion	3,979,935	-	(79,257)	-	3,900,678
DfE group capital grants	737,661	51,099	(65,994)	79,238	802,004
Capital expenditure from GAG	168,064	-	(20,824)	-	147,240
Other capital fund	3,630	60,248	(6,381)	-	57,497
	<u>4,889,290</u>	<u>111,347</u>	<u>(172,456)</u>	<u>79,238</u>	<u>4,907,419</u>
Total restricted funds	<u>3,802,290</u>	<u>3,726,880</u>	<u>(3,985,364)</u>	<u>(439,387)</u>	<u>3,104,419</u>
Unrestricted funds					
General funds	<u>177,100</u>	<u>48,440</u>	<u>(4,196)</u>	<u>(88,613)</u>	<u>132,731</u>
Total funds	<u>3,979,390</u>	<u>3,775,320</u>	<u>(3,989,560)</u>	<u>(528,000)</u>	<u>3,237,150</u>

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Capital grants are awarded by the DfE/ESFA to fund building and maintenance projects within the Academy.

The gross transfer from restricted general fund to restricted fixed asset fund represents the General Annual Grant (GAG) surpluses on capital projects.

The costs and income associated with the Local Authority Pension Scheme have been recorded in the restricted funds in the current year. This does not mean that an immediate liability for this amount will crystallise.

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	3,100,274	(3,121,809)	21,535	-
Other DfE / ESFA grants	-	143,105	(143,105)	-	-
Other government grants	-	136,507	(136,507)	-	-
Other income	-	16,503	(16,503)	-	-
Pension reserve	(1,218,000)	-	(105,000)	236,000	(1,087,000)
	<u>(1,218,000)</u>	<u>3,396,389</u>	<u>(3,522,924)</u>	<u>257,535</u>	<u>(1,087,000)</u>
Restricted fixed asset funds					
Transfer on conversion	4,059,191	-	(79,256)	-	3,979,935
DfE group capital grants	704,270	101,778	(57,095)	(11,292)	737,661
Capital expenditure from GAG	184,492	-	(16,427)	-	168,065
Private sector capital sponsorship	-	3,630	-	-	3,630
	<u>4,947,953</u>	<u>105,408</u>	<u>(152,778)</u>	<u>(11,292)</u>	<u>4,889,291</u>
Total restricted funds	<u>3,729,953</u>	<u>3,501,797</u>	<u>(3,675,702)</u>	<u>246,243</u>	<u>3,802,291</u>
Unrestricted funds					
General funds	<u>150,935</u>	<u>40,003</u>	<u>(3,596)</u>	<u>(10,243)</u>	<u>177,099</u>
Total funds	<u>3,880,888</u>	<u>3,541,800</u>	<u>(3,679,298)</u>	<u>236,000</u>	<u>3,979,390</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	4,833,563	4,833,563
Current assets	272,590	-	73,856	346,446
Creditors falling due within one year	(94,640)	-	-	(94,640)
Creditors falling due after one year	(45,219)	-	-	(45,219)
Defined benefit pension liability	-	(1,803,000)	-	(1,803,000)
Total net assets	<u>132,731</u>	<u>(1,803,000)</u>	<u>4,907,419</u>	<u>3,237,150</u>

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	4,893,058	4,893,058
Current assets	311,584	-	23,175	334,759
Creditors falling due within one year	(100,235)	-	(26,942)	(127,177)
Creditors falling due after one year	(34,250)	-	-	(34,250)
Defined benefit pension liability	-	(1,087,000)	-	(1,087,000)
Total net assets	177,099	(1,087,000)	4,889,291	3,979,390

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £276,901 (2018: £257,732).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.1% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2019 £	2018 £
Employer's contributions	149,000	135,000
Employees' contributions	41,000	37,000
Total contributions	190,000	172,000
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	23.2	23.1
- Females	26.4	26.3
Retiring in 20 years		
- Males	25.4	25.3
- Females	28.7	28.6

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

	2019 Fair value £	2018 Fair value £
Equities	680,000	593,000
Other bonds	282,000	260,000
Cash	24,000	28,000
Property	64,000	58,000
Other assets	306,000	228,000
Total market value of assets	1,356,000	1,167,000

The actual return on scheme assets was £41,000 (2018: £53,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	212,000	209,000
Past service cost	93,000	-
Interest income	(31,000)	(21,000)
Interest cost	63,000	52,000
Total operating charge	337,000	240,000

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2019	
		£	
	At 1 September 2018	2,254,000	
	Current service cost	212,000	
	Interest cost	63,000	
	Employee contributions	41,000	
	Actuarial loss/(gain)	538,000	
	Benefits paid	(42,000)	
	Past service cost	93,000	
	At 31 August 2019	3,159,000	
	Changes in the fair value of the academy trust's share of scheme assets	2019	
		£	
	At 1 September 2018	1,167,000	
	Interest income	31,000	
	Actuarial gain	10,000	
	Employer contributions	149,000	
	Employee contributions	41,000	
	Benefits paid	(42,000)	
	At 31 August 2019	1,356,000	
20	Reconciliation of net expenditure to net cash flow from operating activities	2019	2018
		£	£
	Net expenditure for the reporting period (as per the statement of financial activities)	(214,240)	(137,498)
	Adjusted for:		
	Capital grants from DfE and other capital income	(111,347)	(105,408)
	Investment income receivable	(385)	(3,462)
	Defined benefit pension costs less contributions payable	156,000	74,000
	Defined benefit pension scheme finance cost	32,000	31,000
	Depreciation of tangible fixed assets	172,456	152,778
	(Increase)/decrease in debtors	(6,590)	16,127
	(Decrease) in creditors	(32,537)	(6,286)
	Net cash (used in)/provided by operating activities	(4,643)	21,251

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

22 Members' liability

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

